Supreme Court, U. S.
FILED
MAY 24 1976

APPENDIX

Volume 7.

IN THE

Supreme Court of the United States

October Term, 1975.

No. 75-904

BRUNSWICK CORPORATION,
Petitioner,

v.

PUEBLO BOWL-O-MAT, INC.,
BOWL-O-MAT PARAMUS OPERATIONS
and HOLIDAY BOWL-O-MAT, INC.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Third Circuit.

PETITION FOR CERTIORARI FILED DECEMBER 24, 1975.
CERTIORARI GRANTED FEBRUARY 23, 1976.

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Brunswick CORPORATION

GENERAL OFFICES

PX72
in evid 4/25/73

April 12, 1973

Rahway Recreation Realty Co.
Rahway Recreation, Inc.
443 West Inman Avenue
Rahway, New Jersey 07065

re: Lease dated July 10, 1970
Rahway Recreation
Rahway, New Jersey

Gentlemen:

The undersigned Brunswick Corporation, tenant of the above lease, hereby gives written notice to you that with reference to (a) its option contained in subparagraph (4) of Section 5A to purchase the Premises during the initial term of the lease, and (b) its right of first refusal to purchase the Premises during any successive term, as provided under the lease, it has never exercised its said option, and that it now irrevocably releases, relinquishes and divests itself of said option and of said right of first refusal.

Very truly yours,

BRUNSWICK CORPORATION

By: _____
Vice-President

CERTIFIED
RETURN RECEIPT

A1799
Exhibit P72

PX73

June 5, 1972

Thomas B. McNeill, Esq.
Mayer, Brown & Platt
231 South LaSalle Street
Chicago, Illinois 60604

Re: BRO v. Brunswick

Dear Mr. McNeill:

During the early part of April of this year, Bob Biggar advised you by telephone that the BRO Profit and Loss Statements for the year 1971 for individual centers which you forwarded to us did not cover some 50 centers for which we had previously received counterpart statements for earlier years. Nine of the centers showed no activities for the years 1969 and 1970, 16 centers showed no activity for the year 1970 and 24 centers showed activities for the year 1970 only. In addition, we received no Profit and Loss Statements for 1971 for any centers above the series number 4000.

Specifically, no activities during 1969 and 1970 were shown for the following 9 BRO centers:

500	805
502	809
801	813
802	814
803	

Similarly, no activities were shown for the following 16 centers during 1970:

503	800
504	804
505	807
506	812
507	816

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A1800
Exhibit P73

509	551
511	555
512	556

Finally, the following 24 DSOD centers showed activities for the year 1970 but we received no 1971 statements as to them:

501	522
503	523
510	524
513	525
514	805
515	808
516	819
517	811
518	815
519	817
520	818
521	819

In view of the fact that the trial is now scheduled to proceed in September of this year, I would appreciate receiving either the 1971 Profit Statements of these specific centers or, if for some reason they did no business during the year 1971, some explanation of this fact from you.

Thank you for your cooperation in this matter.

Very truly yours,

Malcolm A. Hoffmann

MAH:RS

bc: Mr. Daniel Parke Lieblich

A1801
Exhibit P73

BPAA # 3
(No. 1, 3-57)

PX 74
in evid

PROCEEDINGS

EXECUTIVE COMMITTEE

BOWLING PROPRIETORS ASSOCIATION OF AMERICA

Sheraton Hotel

San Juan, Puerto Rico

June 22-23-26, 1965

PL. EX. 101 id.

[PX Rule # 10 id 6/14/68]

A1802
Exhibit P74

A meeting of the Executive Committee of the Bowling Proprietors' Association of America was called to order in the Sheraton Hotel, San Juan, Puerto Rico, Tuesday, June 22, 1965, at 2:00 P. M., Mr. C. E. Goldberg, Chairman of the Executive Committee, presiding.

CHAIRMAN GOLDBERG: We will call the meeting of the Executive Committee to order. I'm sorry we're late. Your President will have to take the responsibility. He was having another meeting.

We are going to skip over our usual procedure of a roll call and the reading of the Minutes of the previous meeting because we have some guests, visitors and friends here and we will go right to the item that you are interested in and that is listed on my agenda as "Presentation - Brunswick B.C.O.D. Policies by Milt Rudo. Milton, you have the floor. If there is anybody here who doesn't know Milton, after all these years in the bowling business and appearances before us with his very beautiful pictures, here he is.

MR. RUDO: Fellows, there have been a lot of rumors and a lot of discussions about our operation and I frankly am very grateful for the opportunity to discuss it openly with you and explain to you what we

are doing and our purpose and intentions in operating bowling centers.

With me here today, because of some of the points of interest, I have F. Stefan. Ed. is here as Brunswick's General Counsel, a Director of our Company, but he is associated with an outside law firm. Some of you have met Ed. He has been around for a while.

In addition, we have Roger Bensinger, who is Vice President of Marketing for the Bowling Division. Roger is sitting over here in the corner.

And Jack Thomas, Vice President and Sales Manager of the Bowling Division.

These gentlemen are here representing our Company. They are vital with you as our customers and the observations we made.

Last year I left the bowling Division to be educated and left the Company about September 1 and went off to school. Prior to leaving, we had decided to go into the bowling center operation. While I was gone, Jack Hanigan called me to Harvard and said, "Milt, I want you to head this up as a separate division."

First, frankly, after being away for two and one-half months, I thought it was a kick in the

tell. I thought they had forgotten me and it bothered me. Later, I was convinced, after having further discussions with him, this was a good idea and it was something that we could contribute to the bowling industry.

Remember this, I had 25 years with this company in the supply end and the selling of equipment. After I had thought this over, frankly, after I got back and they had a chance to talk to me about this and what the goals were, I approached this with a lot of enthusiasm.

Very humbly I will say to you I honestly did not know the retail end of the bowling business. I made this statement last night with Bud. I don't know it now. I don't profess to know it now. I am learning, and I have learned a great deal, because it is a different business than the business I have been doing for 25 years. I say this to you with some knowledge but lack of experience, if I may.

Now we have called this new division Bowling Centers Operations Division. It is a separate division. We call it B.C.O.D.

To get into what our actual objectives are, I would like to read to you from our annual report,

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which was published on the first of March and was received by over 100,000 shareholders, and I quote verbatim:

"The Company recently established a Bowling Center Operations Division. In addition to providing economic evaluation, management counseling, and promotional aids for bowling proprietors, the Division is prepared to assume salvage measures in the interim operation of repossessed bowling centers in locations with good potentials pending their resale as a growing business with credit-worthy operators with proven managerial ability."

This was in our annual statement published in March. I realize everyone doesn't read all the words in an annual statement. We have not kept it as a secret. And if any of you were in attendance at our stockholders' meeting, as I recall, Jack Hanigan was at our meeting and it was later discussed in the Wall Street Journal and other papers, "Why B.C.O.D.?"

After many months of exhaustive study, we established B.C.O.D. to operate certain bowling centers whose ownership can't or won't meet their obligations for a variety of reasons. You fellows have run into this and know whereof I talk. B.C.O.D. will operate

these ventures until they are turned over to sincere and financially capable investors. This decision we thought we were compelled to make to protect the interests of our stockholders and to protect the value of your investments as bowling proprietors.

Fellows, this procedure of going into the retail operation as a manufacturer is not new in business. It is done every day. It is done by all types of business. General Motors, Hart, Schaffner & Marx, Holiday Hotels, Goodyear, General Electric, General Motors, they're all in this. If any of you have read Mr. Alfred Sloan's book, you will see in this he formed General Motors Holding Corporation in 1929, in which they have taken over and operated dealerships throughout this country. In fact, in this period of time, from 1929 until about a year ago, they operated and have taken over 1800 dealerships, of which about 1200 have been turned back to various different people. And in his calculations and in their experience, they have found out it takes four to six years to rehabilitate a bad dealership.

So we are not doing something that has never been done in industry. It has never been done in the bowling industry and this, I think, is creating

some of the turmoil and some of the discussion.

How do we operate? How it's Brunswick's desire to continue the present owner in his business. Our credit department is charged with that responsibility. They are charged to make a complete analysis of all accounts that become delinquent. They are charged to go to the Bowling Division which Roger and Jack represent here and give promotional help.

We have 29 men on our payroll right now who are out in the field to help proprietors who are having trouble meeting their bills. Roger will discuss more of this at the meeting on Thursday. This Credit Department has to make a financial analysis and they are supposed to do rescheduling where it looks like the potential to pay off is there. Our Company wants to continue the present ownership. Often the Credit Department has gone as far as they can and they feel there is nothing left but repossession or going after the operator legally, after all efforts are made to continue present ownership.

Certain cases arrive where the present ownership either doesn't want to continue or cannot continue and there is where our Company must consider repossession. Before we physically remove an

establishment, it is turned over to my division. We go out and evaluate the given center. We send out real estate people, we send out operating people, and we send out financial people, and accountants we have taken out of other departments of our Company. After a thorough evaluation we pass on the following three alternatives:

To repossess and close. And this is a difficult decision, because everyone loses. Brunswick loses, which is what we as Brunswick are interested in, the industry loses, which sometimes may not be completely agreed upon, and the proprietor whom we have repossessed loses, the resale owner loses, the bank loses, and the industry gets a bad name. So this has to be weighed carefully.

Of the places we have evaluated, approximately 25% have been pulled. We have the facts and figures to prove it. I can show you the houses. I can't guarantee you what happens afterwards, whether somebody else sells them equipment or not. But 25% of what we have evaluated we have pulled. This is since January 1st.

When we decide to repossess and close, that finishes it. After we have evaluated, if we think

it has some potential, our position is to repossess and sell to someone else because it is not the kind of place that we can operate. Either the rent is too high or we don't think it is the kind of place that we can operate from that point of view; the size of the establishment, too, has an effect on whether we should operate it or not. We have set as a bottom limit 16 lanes. We would operate a 12-lane house if it was close to a 16-lane house and we can have one manager running the two and it would seem to have a potential, but basically we have started at 16 lanes.

The other point is the location. It may be out of the way or it is not the kind of place that we can cover with the kind of supervision we need to run this organization.

Another place where we would evaluate and sell rather than operate is where we find a financially sound customer who is interested in putting up the money and operating this establishment, and we have handled a couple of those. In some cases landlords have come up with cash and paid us out. And sometimes we can't get a short-term lease, which is our basis of operation.

Of course, the third alternative to us,

which is different than negotiate and sell, the five classes I have just given you, where we would not operate, is to take over and operate. In this we have hired people as managers, we have trained them and tried to re-evaluate the business. This is the way we approach our problem.

In our operations, we at Brunswick are the last people in the world to want to do anything to endanger this business. It is our utmost hope to raise the profitability of the bowling business. Bowling is an important, in fact, the most important integer of our business. This is not conversation. We have had many months of discussion concerning that particular paragraph.

Let's talk about the significance of B.O.O.D. to you as operators and to the industry. I have made some statements here. In analyzing our position, we decided to approach the significance as to why do people fail in the bowling business? And the first thing that comes to us is capitalization. People with low down payments and high monthly payments just can't meet their obligations under today's business.

Who caused it? It happened. We can't go back. but we don't have to make the same mistakes in

the future. This hurts because the guy who is under-capitalized creates havoc in the industry. All of you have experienced this. With higher down payments and closing these pieces of business, your business becomes more valuable because, follows, when there is a glut on the market of used equipment and it goes for any kind of price, you may make a bargain, or some of you who wish to expand, but basicly you set a standard of evaluation of your business. And low-priced used equipment hurts your business. It may not seem so now but I'm sure if you think about it, it is true. This is our thinking and it is of significance to you in capitalization.

The second reason why businesses fail is poor management. These terms generally don't apply only to the bowling business, by the way, but apply to all business. If I have a management that hurts you, it hurts the manufacturer and it hurts the industry because people who do not promote this business, who do not compete for the recreation dollar, hurt all of us. When there is ineffective management, I think we are all affected. We think that part of our job in operating establishments will be to make bowling more attractive to people, to help make bowling more

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attractive to people and have them bowl instead of doing other recreational activities. We think we can participate and help you.

The third point is location. If the location is poor generally, this means removal, really. As I told you earlier, we have removed approximately 25% to 30% of the places we have evaluated since we have set this division in operation. And I would like to cover generally some of our policies and ways we are approaching this. I would like to go through it and turn over part of the meeting to Ed. Stefan and answer any question, if you wish, Ed. and Manny.

In essence this B.O.O.D. operation is a rescue operation to maintain those establishments which are basically sound and return them to independent ownership when a new investor provides substantial equity and demonstrates potential for long ranges. The whole industry will gain in stature. This, we think, is one of the most significant of the three points I made.

Secondly, by being in the operating end of the business I think Brunswick will understand your problems and will permit us to test and implement new business building and management techniques which we

will always make available to the industry - always. I think we will in time be able to create a course of trained bowling center management.

I have heard while I have been here that you can't hire people from the outside. Gentlemen, we have hired over 50 people who have never been in the bowling business and we have trained them and they are anxious to go to work in the bowling business.

Our aim is to help develop a profit-making formula so more money can be made by the proprietors who have invested their money in this business. As we look at this whole picture, we feel we have made an honest, sound business decision to help the industry. We cannot be all things to all men. We want a sound industry. Some people say, "Pull out this house," and some people say, "Leave it in business." Some people have got to disagree with us. We have got to judge it on our evaluations. Therefore, on some occasions we are going to have one man, because we pulled it out in another case, we are going to have a man unhappy with us because we have taken it over and are operating it. It is not a joyful position, I tell you.

I can promise you and I can guarantee you

our company is interested in the welfare of this business.

Now I haven't covered anything specifically and I'm sure you want to learn some more of our operations and how we operate generally. At the present time we operate 60 bowling establishments across the country. These are from California to New York. They are all sizes. I think the smallest house we have is 16. I think the largest house is 64. We have taken over one place in Ft. Worth, Texas, that had a swimming pool. I never thought we would operate a swimming pool. We took over another place in Colorado Springs that has a tremendous restaurant. We don't know anything about operating a restaurant - but I guess we are going to have to learn. We have hired a man as a food and beverage man. That is one facet of your business which has never really been picked up. We have hired a man who has had 25 years' experience in running restaurants and bars. We have primarily hired people not in the bowling business. The only people I know of in the bowling business that we have hired are some of our salesmen.

There is one case that I know of, Kingsvill Texas, where we supposedly hired a manager from some

lady in Alva, Oklahoma. She has a right to be mad. We were wrong. I can assure you the people who were responsible for it have been properly chastised. We are not going to hire people from any bowling establishment in the United States, because I think we have a responsibility not to interfere with the operations of you people here. It is a very rigid policy. Frankly, I know of no exceptions. There may be but I know of none. All the hiring of managers is done by the home office staff and is not done at the local level. Our manager at a bowling establishment cannot hire anyone excepting a porter or mechanic. He cannot hire another manager for us. This, he cannot do.

Some people want to know how many places we are going to have. I wish I could answer that. I don't know the answer. It depends upon how many people can pay or don't pay their indebtedness. We are not out looking for this. We have to protect our stockholders and we have to protect the industry. We feel it very strongly.

Some people think it is also our intention to dominate the industry at the retail level. Gentlemen, in our calculations there are 4 billion 400 million dollars invested in the bowling industry in

capital needs, equipment, and buildings. For us to get 10% of this would take 400 million dollars. The investment in the business is 4 billion 400 million. For us to get 10% of this market would be 400 million. The net worth of Brunswick is only 200 million,. with all the factories and everything else we have. So I don't know how we can ever dominate this industry. It is strictly a financial point of view, not counting any legal aspect of it.

At present, we don't intend to develop new bowling centers. One very important policy that we have, we cannot and we refuse to be drawn into any price discussion on bowling. We cannot. Our prime interest is to make bowling healthy and profitable. And this is the way we will operate our centers. Our primary interest is to have the bowling business healthy and profitable and this is the way we will operate our center. There are differences in judgment and I will be glad to discuss that with any of you providing my legal counsel allows me.

The programs we use in our establishments will be available to any bowling proprietor in the United States. He can use any part of them or use the whole thing. They are available. I have offered

them to Howard. We have nothing to hide and they are readily available.

We will cooperate with any of you in any local promotions you will allow us to come into. We have been invited to participate in San Francisco. Bill Lacy, you may know more about this than I do. Johnny Swanson invited us in. We have been invited to join in a baseball promotion. We have worked with other associations and we will be glad to and we will pay our fair share. We don't expect a free ride.

One other point. We did not set up this Division to prove that we can operate centers better than anyone else because we don't think we can. We know, I think I know, there are many proprietors in this room know more about operating bowling centers than we know, and do better, but we are not picking up the good places. We are picking up the places that lack management or capital. We think we can do as well as the average. This is all we hope to do. If we can revitalize that and keep the business available, we have accomplished something.

We will be glad and we want to work with you people on taxation matters, on legislative matters, on local and national levels, and anything else we can,

and again we will pay our fair share.

Also, some of you have said, "Well, you have an advantage because you don't have to pay the same prices I pay." This is not true, gentlemen. My Division pays to Brunswich the same amount of money for every product that I purchase that you do. It's capitalized on my books. I must show the same kind of profits. In fact, I assure you I have more pressures on me than you have in most cases. And it shows up in the corporate books. The Directors look at it. It is capitalized. I can't buy pins for a nickel cheaper than you can. I can't buy bowling equipment for a nickel cheaper than you can. Other businesses have gone through this. Firestone has dealers and they own their own stores. They work on the same basis. Hart, Schaffner & Marx does this. R.C.A. does this. The R.C.A. Tube Division sells their Television Division and sells their competitors. This is different in the bowling business because it never existed before, but, follows, we have been forced into it. But we don't pay any more nor less than you do.

You should hear some of the arguments we have around the office. I don't see these guys much

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any more. I cannot get an item that is allocated or in short supply any more than the proportionate share of the business that I have. If I have 1% or a half per cent, it is all I can get if a new item comes out. I can't get any more than my pro rata share.

Now we have also heard rumors to the effect that we are doing certain things, that we are really not interested in selling these establishments. Any place that we have in our portfolio is for sale. The only exception to that at this moment is AIBC houses that we took over as a chain and that's because of some administrative details that still have not been worked out and it will take some time for that. But any of the other houses we have are available for sale.

Bellows, based upon our principle for value and to keep your product valuable, we are not going to sell these except as going businesses. We are not going to make the mistakes we did two or three years ago. We are going to require 30% to 50% down. We are going to sell them on a business basis as any other business is normally sold, based upon profits, cash flows and other considerations you would make in evaluating a business.

I called it ineffective management.

MR. LEVY: There were discussions in this industry and the fact there is a bowling establishment down the street and the answer came back, and stop me if I get into legal problems, it is always, "Yes, but he doesn't have good management, so therefore we are going to open up an establishment down the street about two blocks." - Now we are coming to the place where these places you opened up have bad management and you are going to take over and have people with six or eight weeks of training who have never been in the bowling business before, and you are going to have good management. Is it the fact you have better management or more money that you can carry on over a longer period of time because you have a little more money behind you to carry you through and maybe outlast the fellow down the street? This is the thing that is the crux of the whole thing.

MR. RUDO: Manny, I cited three examples of what caused business to fail. Capitalization, management, and location. I can't guarantee you - I said that, too, I thought that our management is going to be the best but we think this caused this to fail and based upon our evaluation we think this business

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potential. We hope, and we don't know yet because, God, we have only been in it five months, that we will be able to build the thing with the management we have hired and be able to sell the establishments. Now if I gave any other impression, I'm sorry. I said the three that cause failure, and what we hope to do, and in five months we are a long way from wizards in this business.

MR. LEVY: That is one of the real things we are talking abo is all three things you are talking about. And I think this is where you are at fault because you are the ones who found the locations in most cases. You had people out looking for locations. You put the houses in. You set the price and you set the down payment. And now all of a sudden the proprietor is the bad fellow because he can't pay and it becomes a bad deal. Now you are negotiating a lot harder than you did before. Listen, this is something that happened and you can't deny it.

MR. RUDO: What do you want us to do?

MR. LEVY: I ask you how you think you are going to become miracle men in a short period of time if it wasn't for the fact you have millions of dollars behind Brunswick to carry it on for a short

$9,000.

MR. LEVY: How big are the houses?

MR. RUDO: From 16 to 64 lanes.

MR. LEVY: Do you put a $9,000 manager in a 16-lane house? Could the property afford to pay that?

MR. RUDO: Yes. It's not our ideal. We also have $9,000 men running 64 houses. You are taking a small percentage and trying to twist the story. This you have to do across the board.

MR. LEVY: You are paying the same salary to a man running a 64-lane house as a 16?

MR. RUDO: Generally, yes. I don't say all our managers are getting only $9,000. Don't misinterpret it. Some we have inherited in the AIBC and Atlantic Chain we have to pay more.

MR. LEVY: You claim the houses you are taking over are all for sale. You require 30% to 50% down. At what price?

MR. RUDO: The price is based upon cash flow profit and return on investment. And they will run from a 16 to 24--lane house and we try to decide in five months, which is a basically short time to judge, whether we will sell that establishment for

$369,000. We have over a 50-lane house we would sell for $400,000, $497,000, actually, with $200,000 down. At least this is based upon the formula we have worked out.

MR. LEVY: In other words, you would be in a position to set the price high enough so you couldn't sell them.

MR. RUDO: That's not the intent. That's the accusation but not our intent.

MR. LEVY: How many people are there around who are going to pay you $200,000 on a bowling establishment in the present market? When you put a $200,000 cash price on it, you're going to keep it.

MR. RUDO: I don't think so, Manny. This is not what we are trying to do.

MR. LEVY: Is it logical to go from nothing to $200,000?

MR. RUDO: Is it logical to make the same mistake the second time?

MR. LEVY: It's logical to make another mistake the second time.

MR. RUDO: Yes, it is.

MR. ISAACSON: Mr. Rudo partially answered my question. He said they had taken over 60 establish-

MR. WILLIAMS: Milt, in your discussion you mentioned that you would keep these establishments until you find a suitable purchaser for them, and then you cited the four to six years, which is the average time that they would keep an automobile dealership.

MR. RUDC: That's what General Motors found.

MR. WILLIAMS: Do you have any set limit or does Brunswick have any set limit as to the time you would keep these, or is it just a matter of an indefinite period of time?

MR. RUDC: We have not set a limit. Remember, this is new to us. Maybe we have made a mistake. Maybe we are on the right road. There could be a lot of things. I may be looking for a job a year from now and somebody else may be operating this business because I'm not doing it well. Our Company and the management of our Company expect it to be put on a profitable basis. This I can tell you. Time alone will answer this. I can't tell you the time and I would be silly to stay here in such a period of operation. It is one of these things we haven't communicated with you people. The fact is, we just

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started and we really didn't know our operations. Howard and I had lunch a month ago and this is one of the points I made. I don't think I could be justified in setting it higher with you fellows who are experts except that we should talk to you and you understand why we are in it.

MR. WILLIAMS: Has Brunswick, prior to B.C.O., had any similar type of operating company or have you had any method of running establishments prior to B.C.O.?

MR. RUDC: We ran places overseas during the last two years.

MR. WILLIAMS: Not domestic?

MR. RUDC: Back in '36 or '40 we ran some. Red Crown. Up to this time, no, not to my knowledge. There was one house in Wichita, wasn't it, Jack? We were in Hawaii and found out we were running it. But up until we formed B.C.O. we were not running any establishments.

MR. WILLIAMS: Then my next question is to Mr. Stefan, your legal counsel. Would Brunswick be a part of any of the suits or actions that are pending in various associations and also the National Association by virtue of the fact B.C.O. now has

MR. BRINEAN: I have a little memory of it at the time.

MR. RUDO: I had just come with the Company. We were still operating a couple.

MR. [illegible]: Nothing.

MR. HINDEL: I would like to direct a question to Milt about your general philosophy, Milt, on methods of operation. I'm not going to use the word "price" at all, but your general philosophy. I'm speaking of the yellow sheet that is printed in red, which is not only distributed within your own establishments, but in establishments in other cities adjacent to yours. I wonder if you could answer this for us?

MR. RUDO: This is a program that we have adopted, Carl. We had a problem when we went into operation as to all the programs that should be utilized. We adopted a program that has been utilized, in fact, every one that has been used by one of your State Associations or County Associations some place in the United States, and if you want me to I would be glad to read off where that is.

MR. HINDEL: And give-aways.

MR. RUDO: I don't know what you mean by give-aways.

MR. HINDEL: You have a $5.00 free coupon book.

MR. RUDO: It's made up of ten different colors. If you bowl for 12 weeks in one of these establishments in a summer league you are entitled after August 15, if I remember correctly, to one game of bowling a week for ten weeks thereafter. We think that people don't come in and bowl one game. We think people will come in and bowl and we think in the fall of the year, when play has been off for the last four or five years this will stimulate people to come in. It is not a matter of all of them used at one time. It is one game a week that can be utilized. If you want to talk about give-aways, I know people in Evansville, Indiana, where they are giving away mink coats and trips to Europe. I don't know the difference between give-aways and promotion. I say this and I am trying to find out what it is and learn.

MR. HINDEL: Isn't this contrary to your philosophy?

MR. RUDO: No, sir. What are give-aways and what are promotions?

MR. HINDEL: I can't answer it.

MR. RUDO: The Wheaties deal with

National; the Tide deal with National. These are these kind of promotions. I don't know the answer. I think this is the thing we are trying to build and get people to come in during the early season.

MR. HINDEL: Regardless of where these people come from? In one instance leaflets were passed out 14 miles from your establishment where there is another establishment.

MR. RUDO: Is it a draw, Carl?

MR. HINDEL: I don't know.

MR. RUDO: I don't know, either. This is a matter of the solicitation of business and where do the people come from? I don't know.

CHAIRMAN GOLDBERG: I didn't want to interject myself yet but along the line Carl said, I must assume you know the details of this. This is one I brought. It was in our area before Brunswick got into the operating business by A.I.B.C., but it was my understanding these books were given out to every bowler in the winter league for use of one game per week in the summer. And then if you went in the summer you got one in the fall.

MR. RUDO: I haven't been in a winter

CHAIRMAN GOLDBERG: Of course, maybe you inherited some problems that were given out kind of indiscriminately by the manager and it wasn't necessary for everybody to be in the winter league. But I think what Carl's concern is the concern of all of us, that the success of the Brunswick recovered houses is going to be at the expense of their neighbors in the bowling business and it isn't going to do the rest of us any good. After all, all you are going to do is take. If he gets a free book he is going to bowl in one of these houses and we are not going to accomplish anything other than giving some stuff away, which is the easiest way to do it.

I agree with Carl, you people have been in favor of the operator getting a fair price so he can pay his bills.

MR. RUDO: I'm in agreement and that's the basic philosophy. Again, I have not interpreted in my own mind what is a give-away and what is a matter of promotion. If our people have not utilized these properly, it comes to what Buddy Russell is talking about, it's the controls and those things, and I say we'll get to them and get squared away. We can't even write and complain about inaccuracy because Mr.

Stefan says we'll be joining in price fixing if we write and complain about your houses doing some unethical thing that you don't even know about. We are not trying to do anything but run this business so it will be profitable. It is our intention to do that.

Let me ask you a question. If you are in a market and somebody is running bowling for 25¢ and you are getting 50¢, do we have a right to write to you and complain? That has happened in Carl's area, a man who is an official of the Indiana Bowling Proprietors' Association. He advertises right here in my book.

CHAIRMAN GOLDBERG: You mean, you are operating in the area?

MR. RUDO: We are in Indiana. If we're in Indiana, I understand we're in trouble. We're operating at 50¢ and this man is selling bowling for a quarter.

MR. STEFAN: Just as we can't agree on pricing, I don't think we can agree either on what promotion is, which we will engage in and which we won't. If within our judgment we think promotion is good for us and bowling generally, I don't think we should or can be retained from resorting to it because

you don't like it, legally, you know.

CHAIRMAN GOLDBERG: We don't want to restrain you but the point is it would seem to me you have a stake in the business, this 400 million or 4 billion you stoke of that people owe you. So in addition to the 60 houses you have thousands of customers you hope will pay you each month over a period of time. When you arrive at in your judgment what is good for bowling promotion and it helps to put a substantial number of these other people out of business if it should, seems to me somewhere along the line somebody has a right to say something.

MR. STEFAN: You are bringing it to our attention in terms of our own self-interest.

MR. RUDO: Our interest is your interest. Any of our promotions are available to any of the people who want to utilize them. In fact, in one specific case a whole association adopted this.

CHAIRMAN GOLDBERG: Well, Milt, with these kind of promotions we don't need any self-help.

MR. LEVY: What are you doing to promote new bowlers? You are in the bowling business, what are you doing to promote new bowlers?

MR. RUDO: In the State of Indiana,

in the five or six towns we have been in, we have found the operators there never even went into the schools. This is a chain of six establishments we took over, two 16's and four 24's. And I was told in these towns they had never approached the schools. They didn't even know whom they were to contact. We have gone in there and we have done the same things you do.

MR. LEVY: What have you done in areas where they have gone into the schools?

MR. RUDO: Specifically, we have run "Learn To Bowl" and telephone solicitations, we have run door-to-door solicitations. We are doing the same things, exactly the same things. And it's our intention to build bowling.

CHAIRMAN GOLDBERG: I guess I got the thing off the track there. Tim.

MR. HALLIGAN: I don't like 4-letter words and especially I don't like this "free." Milt, you mentioned this is a new experience to you, that you pinpointed two houses, a 24-lane house and a 50-lane house and with the so-called down payments you said it would pay off in seven years. You haven't experienced the summer months yet.

MR. RUDO: I said it was a limited deal.

I based this on our operations from March through May on one house. I agree with you. But if somebody wanted to buy them today, this is the price we would sell for based strictly on our limited deal. People have said we don't want to sell them. I have brought two examples here that we want to sell. The price can go up and it can go down, too.

CHAIRMAN GOLDBERG: Is there anyone else wishes to say anything? Well, thank you, gentlemen, for coming. We have appreciated it.

(The Brunswick representatives retired from the room)

CHAIRMAN GOLDBERG: Gentlemen, this is Dale Harland, general counsel, and Mr. Clint Brimm, the Past President of the Oregon State Association. You will go right into your pitch, Mr. Harland.

MR. HARLAND: Our Association, as you know, has recently been sued on a civil anti-trust matter by Pacific Lanes, who secured a rather large judgment against the Washington State Proprietors' Association in Pierce County and certain individual defendants. We were not involved directly in the Washington suit. We read in the newspapers what was going on. We had no particular contact with the suit.

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AS MIKE MARISCAL HITS 677

BY CLYDE WATANABE

HOLLYWOOD—Little brother Weege and sister Kathy can no longer poke fun at big brother Mike Mariscal. After a couple of years of near misses of the elusive 600, Mike clutched in high gear and soared to cloud nine with 211, 200 and 266 for a fantastic 677 series at Hollywood Star Lanes. (There goes your low book average). This series came after last week's 593.

Daring Dave Levin sizzled a crisp 208-576, Rick Johnson added 202-561, Stepan Keshishian 523, Marty Arslanian 510, Chris Caldwell 517, Jack Jones 517, Dino Mastro 210, Mike Goto 222, Wayde Watanabe 209 and Maren Edwood 189-442.

Falling to new heights in the King Junior High League was James Takemoto with 210-209-614, Jenny Herting had 159-354, Gary Funada 349, Dan Colman 322, Ross Lake 373, Dale Chandler 411, Brian Lewis 204-452, S. Shigemasa 338 and over-whelmi[ng] [a]l 425. [T]urday [p]ool 157-[3]-473, John [C]h for [S]mida 404 and Rocky Walsh 407.

In the Adult-Juniors, the Cameron 378, Nancy Bearnth 166 and overdue awards of 246, 105 pins over average and a 246 trophy. Brad Loveman had 392 and Mando Nalbandian 190-460.

The almost-but-not-quite over the hill gang hit: Eldon Jamison 201, Ralph Eisenbise 515, Bill Moigis 533, Joni Bernier 443 and Mona Rodriquez 375.

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A1835
Exhibit P75

...ecoming
... Miami,
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...ciated Press.
...,000 chanting, singing
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...Dolphins a tumultuous
... home Monday night as
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Gould Honored
...Associated Press (AP) —

Omaha World-Herald
Sports

OMAHA, TUES., JAN. 16, 1973 19 *

Husker Harris Laughs Last

By Robert Williams
World-Herald Sports Writer

Lincoln — Lee Harris, the University of Nebraska junior, admits he smiles on the basketball court.

And he beamed in rebounding a missed Alvan Adams basket to set in motion a Husker move down court that tied, 58-58, in a 74-67 victory over Oklahoma Monday night.

The Huskers didn't lead until Harris's 20-foot jump shot from the top of the key with 4:40 to play. That put N.U. ahead, 60-58, and the crowd cheered shrilly in delight.

The Sooners broke to a 10-0 lead — while the Husker partisans in the crowd of 4,200 waited patiently before being seated.

Customarily, they remain standing until the first N.U. points.

Brendy Lee scored a layin with nearly three minutes of playing time elapsed — and the fans could be seated. But they would stand again at the game's end to root home the victory. Later, Coach Joe Cipriano was to credit the 6-8 Lee with doing an outstanding job defensively on Adams, the Sooners' 6-9 freshman.

Adams ended with 23 points, but was without a field goal for more than 20 minutes after connecting 12 minutes before the half.

Harris joined Cipriano in lauding Lee. "Twenty-three is a lo[t] different than 38," Harris noted referring to the number o[f] points Adams scored at low[a] State two days earlier.

Adams led scoring and Harr[is] scored 22, high for the Huskers.

Harris, a 6-2 product of Ce[n]tral High in Omaha, said [he] "didn't have any kind of touch in his shooting because of bat[ter]ing the flu.

However, he said his qui[ck]ness had returned after dese[rt]ing him during a 68-55 loss [to] Oklahoma State two nights e[ar]lier. The Saturday and Mon[day] games are the only Big E[ight] encounters the Sooners Huskers have played.

Harris welcomed the res[t] until Jan. 27 and a visit by [Mis]souri — "so that I can get w[ell]"

Cipriano credited Harris grabbing important steals.

Sophomore forward Don J[ohn]son (6-7) is another Husker was praised by both Cip[riano] and Coach John MacLeod o[f] Oklahoma.

Jackson connected on se[ven] 13 field goal attempts in point performance, his be[st] the Huskers' 6-8 season.

The Huskers, despite [a] to more than two inch[es] height per man in their line, outrebounded the So[oners] 43-39. Lee grabbed 12, one than Adams, the Sooner [top] sonal leader in that depar[t]ment.

The Huskers gained the

—World-Herald Photo

C'mon, snow, melt! . . . Turning first spade are, from left, Edwards, Mrs. Schoon, Dollar and Melonis.

In New Omaha Center

Computers to Score Bowling

By Rich Pearl

The first spade of dirt — whoops, make that snow! — was turned Monday to start construction of the first new bowling establishment to be built in Omaha in some 14 years.

The ceremony in the melting snow was held west of the corner of Mockingbird Drive and Ninety-sixth Street, south of L Street.

Present were representatives of the Brunswick Corporation of Skokie, Ill., who will own and operate the 32-lane, $1 million facility, and the secretaries of Omaha's men's and women's bowling associations.

The group included James Chauncey of Denver, Brunswick's regional manager; Wayne Dolylars of Kansas City, Brunswick's district manager; Lloyd Edwards, manager of the new facility and Darlene Schoon and Ted Melonis, the Omaha association secretaries.

'Potential Over 1,500 Per Lane'

Edwards, 38, who formerly managed Brunswick's South Milwaukee, Wis., bowling establishment, is taking bowling league applications at 339-8858 when he isn't seeking living quarters for wife Diane and daughters Lorri and Michela.

Brunswick and Timmons Construction Co., the general contractor, are shooting for a July 15 opening date, Dollar said.

The bowling center, the first Brunswick owned in Nebraska, will be "the most modern in the world" when it opens because it will feature computerized automatic scoring, Chauncey said. The system employs automatic pinsetters with sensors that relay information to computer units for scorekeeping.

All the bowler does is identify himself and roll the ball, Chauncey said.

The Omaha area "is the best-looking market area for bowling I've ever seen," said Chauncey, who said Brunswick had seven different people surveying the area before the firm decided to build.

"We figure that 1,500 bowlers per lane" is needed to make a facility successful, he said. "Anything above that is gravy." He indicated Brunswick believed the area was better than 1,500 per lane.

The [Mockingbird] Lanes

Tickets Available For Sports Fete

Tickets for the Omaha Sportscasters Association banquet will be on sale until 6 p.m. today at City Auditorium.

The banquet will be at 7:30 p.m. Wednesday at Peony Park. The event will feature ex-Omahan and former Chicago Bears' running back Gale Sayers as the sportscasters' man of the year.

Ex-Green Bay tackle Henry Jordan will be the principal speaker.

Tickets also may be purchased from sportscasters.

Those at the head table will be four previous recipients of the award. They are Stan Bahnsen, Bob Boozer, Bob Devaney and Bob Gibson.

Bill Would Require State Horses to Run

World-Herald Lincoln Bureau, Room 3, Executive Building.

...Nebraska race tracks to

A1836
Exhibit P76

lisr," he said.
urly 150 fans were at Red- Park at 7:55 p.m. when am arrived from Dulles In- tional Airport, only a few away in suburban Vir- although team officials made known they didn't big reception.
ice tried to warn fans away the Redskins, fearing a jam on the only access o Dulles.
didn't think we would have type of turnout after a said Coach George Allen. of the good things about ear has been the fans. We expect this kind of recep- especially at 8 p.m.
ere is no reason why we be in the Super Bowl next " he said to the cheers of rowd, many of whom had d in the 40 degree weather me five hours.

Could Honored

ney, Australia (AP) — pic champion swimmer Gould, 16, has been d the Australian Athlete of ear for 1972.

ohnny R!

ed a long set shot from the

t h at set, he declined a er invitation to pivot, drib- nto the lane, wiggle—and shoot a layup.
per was the Rodgers s point leader with 20. Pitts 0, Blahak, who used foot- econdary talents in break- o Thriller passes—got four lover and Dixon two each.
m an entertain- standpoint, the Rodgers lacks sufficient hijinks— gh the Thrillers have . Johnny R and pals may ady with a football wedge on the court when they in- the University of Nebraska maha Fieldhouse tonight 10.
g Pruitt, Oklahoma grid- ho was supposed to be a ers cage teammate, re- ily missed a plane in on.
ahan Bob Rodgers, no re- to Johnny, officiated the and blended in sharply the comedy.

bowling associations.

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Bill Would Require State Horses to Run

World-Herald Lincoln Bureau, Room 2, Executive Building.

A bill to require Nebraska race tracks to have one race a day with Nebraska-bred horses was introduced Monday in the Legislature by Sen. Harold D. Simpson of Lincoln, who said it is aimed at Ak-Sar-Ben.

"The Ak-Sar-Ben Race track in Omaha has used what you might call subterfuge to avoid this regulation," Simpson said.

He said there is a Racing Commission regulation requiring one Nebraska-bred race each day of race track meeting but that a track can avoid having such a race on the ground there aren't enough state horses available.

"We have plenty of Nebraska horses now," Simpson said. "I believe this regulation should be given the force of law. It will help a Nebraska industry."

Race tracks in the state include Ak-Sar-Ben, Grand Island, Lincoln, Columbus and South Sioux City. The Ak-Sar-Ben meeting is held from May until July, Simpson said.

Officials Exclude Anthem

New York (AP) — "The StarSpangled Banner," which has been met with something less than respectful attention by some athletes in recent sports events, will not be on the program for the Olympic Invitational track and field meet at Madison Square Garden.

Jesse Abramson, director of the Feb. 16 meet, says the national anthem will not be played because his staff "couldn't find a spot for it."

Abramson said the decision to drop the anthem from the track meet's program—making it the first of more than 500 athletic events to go on without the anthem since the new Garden opened five years ago—was made last month.

struction Co., the general contractor, are shooting for a July 15 opening date, Dollar said.

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"We figure that 1,500 bowlers per lane" is needed to make a facility successful, he said. "Anything above that is gravy." He indicated Brunswick believed the area was better than 1,500 per lane.

Brunswick Mockingbird Lanes will be the first totally new establishment in Omaha since 1959, when Ames Bowl and Sky Lanes first opened. Sky Lanes re-opened at its original site in 1970 after a fire forced complete rebuilding.

Gretna Bowl, built in 1966, is currently the newest establishment in Douglas County, according to Melonis. The Omaha metropolitan bowling area — which exclude the area east of the Missouri River — now has 28 bowling etablishments and 454 alleys (including Gretna, Elkhorn, Bellevue and Offutt Air Base).

The men's association numbers around 17,000, with 413 men's and mixed leagues. The women's group has about 16,200 bowlers with 222 leagues.

"I think it's marvelous," said Mrs. Schoon of the new facility. "We have some pretty antiquated bowling centers here and I think the public likes to go into new and well-kept places to bowl."

She said she hopes area bowling centers will now give more 6:30 p.m. league spots for women. "Most now give us 9 p.m. and after, but I think it's safer for men to be out at that time than women."

in his shooting because of battling the flu.

However, he said his quickness had returned after deserting him during a 69-55 loss to Oklahoma State two nights earlier. The Saturday and Monday games are the only Big Eight encounters the Sooners and Huskers have played.

Harris welcomed the rest — until Jan. 27 and a visit by Missouri — "so that I can get well."

Cipriano credited Harris with grabbing important steals.

Sophomore forward Don Jackson (6-7) is another Husker who was praised by both Cipriano and Coach John MacLeod of Oklahoma.

Jackson connected on seven of 13 field goal attempts in a 14 point performance, his best in the Huskers' 6-6 season.

The Huskers, despite giving up more than two inches in height per man in their front line, outrebounded the Sooners, 43-39. Lee grabbed 12, one fewer than Adams, the Sooners' seasonal leader in that department.

The Huskers gained their first tie at 34-34 on Cal Christine's tip less than a minute into the second half.

But the Huskers were to trail

Please turn to Page 20, Col. 4

Hayes' Plea Is 'Innocent'

Pasadena, Calif. (AP) — Ohio State University football Coach Woody Hayes pleaded innocent Monday to a misdemeanor charge of battery filed after an altercation with a press photographer.

The plea was entered in Pasadena Municipal Court by attorney Andrew R. Edwards. Hayes, free on his recognizance, was not present.

The charge was filed after an incident before the New Years Day Rose Bowl game here, in which Los Angeles Times photographer Art Rogers said Hayes pushed a camera into his face.

Rogers claimed he received facial injuries and that his vision was impaired.

Municipal Court Judge Samuel Laidig granted Edwards' request for a pretrial hearing. It was set for 9 a.m. Feb. 22.

ıl Cheering Section as Jays Invade California

ompeted last hton won, 90- had 25, Ted e Ellefson 13 for the Jays. s point to a

nd Bobik and West Coast with Ralph's brother, Bob Carol, 9. d teammates ph said of his, oast cage ea- each a group ected, includ- from Bobik's n Church. 'haven't seen

win three games," so the coast fans may be in for a treat.

Al Lewis, who flipped 21 points against Regis last year, will be absent, missing the trip because he left the Wyoming game at the half last Saturday night in the City Auditorium Arena.

Al hadn't played the first half. The usual starter said Monday that his "teammates were enthusiastic where I couldn't feel enthusiastic" during the 79-69 win over Wyoming.

"I know I haven't been playing as good as I can but I don't like to sit on the bench," said Al, who is bothered by sinus trouble.

and I hope he will come back," Coach Eddie Sutton said.

"I wouldn't come back if any of the players felt I was cheating the team," Al said. The Jays apparently don't feel that way.

How about the trip?

"I just hope they win," Al said.

Creighton Statistics

	G	Fg	Fga	Ft	Fta	Reb	A	Tp
Al Lewis	19	4	11	13	17	5	2	21
P. Bobik	19	4	11	10	12	10	2	18
T. Wurdeman	19	3	10	2	3	7	2	8
G. Ellefson	19	6	16	1	2	12	1	13
Ch. Butler	19	3	8	2	3	5	1	8
[illegible]								
[illegible]								
[illegible]								
[illegible]								

A1837
Exhibit P76

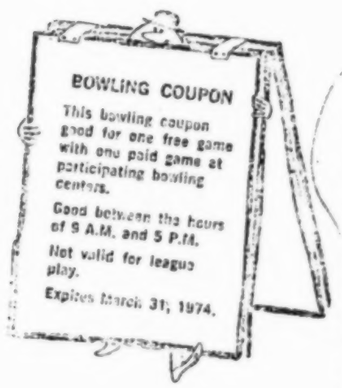
STRIKE

This rings the bell!

NBC/Colgate-Palmolive Joint Bowling Promotion Finalized

$34.36 PER LANE TO BE SPENT BY COLGATE-PALMOLIVE FOR EVERY BOWLING LANE IN THE U.S.A.

PLAINTIFF'S EXHIBIT P-77



HERE ARE THE DETAILS:

1) 100 million coupons good for one free game of bowling with the purchase of one game would be printed on Ajax All-Purpose Liquid, Cold Power, Detergent, and Palmolive Dishwashing Liquid. This production would hit the shelf on or about May 1, 1973 and would be virtually exhausted by 12/31/73.

2) June or July would be National Bowling Month and the majority of the promotional support for the program would be run during this period.

3) In support of the program, the following expenditures in media value would be made by Colgate:

TV Advertising	$2,000,000	Product Support	$1,700,000
Radio	300,000	Display Material	50,000
Print	300,000	Dealer Loader	100,000
Co-op Advertising	100,000	Total	$1,850,000
Total Advertising	$2,700,000		
Grand Total	$4,550,000		

4) Bowling Proprietors operating not less than 75% of all bowling lanes must agree to participate by February 28, 1973.

PROPRIETORS — SEND IN YOUR AGREEMENT TODAY!

Yes, We agree to participate in the 1972 Colgate-Palmolive Bowling Promotion as outlined above. Please list our center whenever participating centers are listed and print advertising as follows:

Name of Center .....

Address .....

Signed .....

A1838
Exhibit P77

NBC NEWSLETTER

NATIONAL BOWLING COUNCIL

1128 16th STREET, NORTHWEST, WASHINGTON, D.C. 20036 202-659-1570

American Bowling Congress
Milwaukee, Wisconsin

AMF Incorporated
Westbury, N. Y.

Bowling Proprietors
Association of America
Chicago, Illinois

Brunswick Corporation
Skokie, Illinois

Columbia Industries
San Antonio, Texas

DBA Products Company, Inc.
Lake Bluff, Illinois

Ebonite Company
Hopkinsville, Kentucky

National Duckpin Bowling
Congress
Washington, D. C.

Professional Bowlers
Association
Akron, Ohio

Vulcan Corporation
Cincinnati, Ohio

Women's International
Bowling Congress
Columbus, Ohio

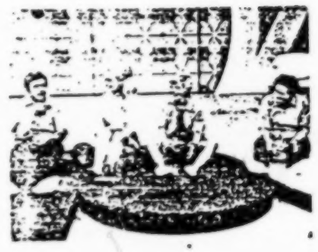
Volume III, Number IV, September/October 1972

PLAINTIFF'S EXHIBIT P-78

COLGATE-PALMOLIVE TO SPEND $3,000,000 TO PROMOTE BOWLING DURING A 1973 FUN BUCKS PROMOTION. The National Bowling Council and the Colgate-Palmolive Co. have agreed to sponsor a giant nine-month promotion beginning in April of 1973. Prospective bowlers will find a Fun Buck on Palmolive Dishwashing Liquid, Cold Power, Ajax All Purpose Liquid Cleanser, Wilkinson Shaving Products, and other Colgate household products. This Fun Buck can be taken to a participating bowling center and exchanged for a A FREE GAME FOR EVERY PAID GAME. Redemption can take place from 9:00 AM to 5:00 PM, seven days a week, plus any other times made available by participating centers. Colgate-Palmolive will place not less than 120 million Fun Bucks on the products involved during the nine-month promotion with a notice or tag on the front, calling attention to the special bowling offer. In addition to $2,250,000 being spent on TV and radio advertising and $750,000 in store and cooperative advertising, Colgate-Palmolive is considering a direct mail piece to more than 15 million households calling attention to the bowling offer. Colgate-Palmolive will also cooperate with the National Bowling Council in advertising in local newspapers listing all participating bowling centers. Bowling proprietors are urged when they receive complete details of this promotion this fall to return the card with their agreement to participate so that NBC can include their bowling centers in these newspaper advertisements.

At the BPAA Convention in Honolulu in June, the Fun Bucks Promotion received a very enthusiastic endorsement. According to proprietors there, "Fun Bucks is a natural promotion and should result in a substantial lineage increase over the usual bottom line." With four times as much money being expended to promote bowling as during the Post Cereals Promotion, everyone in the bowling family cannot help but profit.

A1839
Exhibit P78



JUDI ON THE MIKE DOUGLAS SHOW. Judi Ford, the National Bowling Council's Miss Bowl-A-Shape, taped a 7-minute segment of the popular Mike Douglas TV Show on August 15. Judi instructed Mike, his co-host Florence Henderson of the "Brady Bunch" TV Show, and Miss Henderson's 77-year old mother in the Bowl-A-Shape Exercise Program. The show will be viewed this Fall in 125 markets before an estimated audience of 15 million.

FALL ADVERTISING CAMPAIGN. The Fall 1972 Advertising Campaign is shaping up well with what looks to be a record-number of proprietor groups lining up to tie in. The Council's Fall campaign led off with Howard Cosell's radio reports from the 1972 Summer Olympics. In October, the National Bowling Council will again co-sponsor the telecast of the 1972 World Series, the largest sports audience show in the world. This year, the Council's commitment for the World Series is almost double that of 1971. Last year, the National Bowling Council bought spot ads on the first four games; this year, we have the W-H-O-L-E thing...all seven games, if the Series goes that far. That's 300,000,000 bowling messages to the TV viewers of the 1972 World Series.

30% SUBSIDY. To encourage even more local participation for what the Council feels is one of its greatest advertising campaigns, the normal NBC 20% media subsidy has been increased to 30% for those proprietors who tie in with the National campaign between August 1 and November 30. This new subsidy amounts to $3.00 for every $7.00 raised locally. For instance, if a proprietor group raises $7,000 for its campaign, the Council will add $3,000 making a campaign total of $10,000 worth of media advertising! In addition, of course, the Council has displays, television spot announcements and newspaper mats. Please contact Council headquarters for more information - but hurry, the 30% subsidy period is already underway.

PRESIDENTIAL BOWLING AWARD. By the time this Newsletter reaches its various destinations, most proprietors will have received the initial mailing from the National Bowling Council consisting of

A1840
Exhibit P78

colorful wall and desk posters, record books, and full instructions to enable their customers to participate in the Awards Program. To obtain the Presidential Award, a bowler must complete a minimum of 150 games within a four-month period with no more than five games being played on any one day. The sets of five games must be bowled on at least 34 different days. In other words, the candidate for the award must bowl about 9 or 10 games a week with no more than 5 being credited for any one day. League games will count in the total. The goal of the President's Council on Physical Fitness and Sports is to establish a set pattern of physical exercise. The award will consist of a patch, a lapel pin, and a certificate signed by the President. The bowler will keep his own record in the sheet that will be provided by the proprietor.

BOWLING ON RADIO. To better serve the thousands of radio sportscasters through the U. S., the National Bowling Council has begun a pilot program of taped interviews with bowling's greats of yesterday and today. The pilot phase will provide information about the types of subjects most appealing to the top 100 stations across the country. This is a most effective means of providing the materials to each sportscaster. After evaluating the pilot, the Council expects to supply a regular series of radio tapes to announcers throughout the year.

VARIPAPA ATTENDS OLYMPIC DINNER. Andy Varipapa, one of the National Bowling Council's Traveling Ambassadors, attended a dinner in Washington, D. C. on August 17 sponsored by the President's Council on Physical Fitness and Sports. Andy's attendance was a natural at the dinner honoring our 1972 Olympic Team and such great sport stars of the past as Jessie Owens and Bob Mathias.

While Andy was in town, the up-coming NBC film clip featuring the Fifty-Plus Program was filmed. This clip will be made available to TV sportscasters nationwide. It tells the story of who Andy is and what he has done for bowling. After Andy presents a repertoire of his trick shots, he tells his captivated audience about the Fifty-Plus Program and its benefits to senior citizens. Andy was 81 years old in March!

PAULA SPERBER AND FLIP WILSON APPEAR ON THE TONIGHT SHOW. On June 12th, the nation's late night TV viewers were treated to a bowling segment on Johnny Carson's Tonight Show. Paula Sperber - bowler of the year - met Flip Wilson - comedian of the year - in a fun-filled episode. Mr. Wilson gave Paula a bowling lesson that won't soon be forgotten by the lucky millions watching that evening.

INDUSTRIAL LEAGUE KITS. The National Bowling Council has again prepared an Industrial League Kit for those proprietors who wish to encourage bowling participation within neighborhood, business or industry. The kits contain posters announcing league formation and payroll stuffers to sign up employees. Also included are pamphlets for industrial recreation directors outlining league formation and the popular "Bowling is Fun" Pamphlet. Complete kits are available from the NBC Washington Office at cost.

"EBY" EBERSOLE RETIRES AS BVL DIRECTOR. Arville L. Ebersole, who guided the Bowlers Victory Legion through almost 30 years of service to hospitalized veterans, has retired as BVL Director. Eby, as he is known to thousands of bowlers and veterans throughout the country, has assumed his new position as Director Emeritus of the BVL Fund. Eby will retain his role as Executive Secretary of the National Duckpin Bowling Congress, a position he has held for 32 years. The administrative and operational functions of the BVL will be assumed by the offices of the National Bowling Council.

National Bowling Council
1128 16th STREET, NORTHWEST
WASHINGTON, D.C. 20036

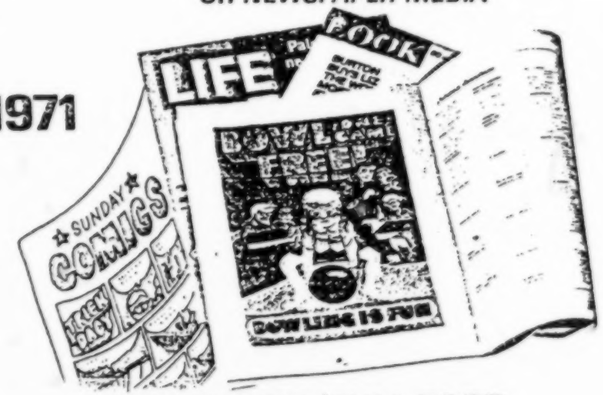
A1843
Exhibit P79

PRINT MEDIA

EITHER LIFE AND/OR LOOK
OR NEWSPAPER MEDIA

1970

1971



FULL COLOR/FULL PAGE
on"Bowling is Fun"
+½ page listing participating centers

1971 TOTAL MEDIA PROGRAM WILL GENERAT

PACKAGE EXPOSURE

1970

60 MILLION
Front panel patch & certificate on all 60 million

1971

New this year
20 MM ½
back panels

New this year
20 MM full
back panels

New this year
20 MM full front
panel patches

60 MILLION
Front panel patch & certificate on all 60 million

A1844
Exhibit P79

NEW THIS YEAR
TV ADVERTISING

Commercials devoted exclusively to the Bowling Promotion

HUNDREDS OF MILLIONS OF IMPRESSIONS!

DIRECT MAIL COUPON

1970

22 MILLION

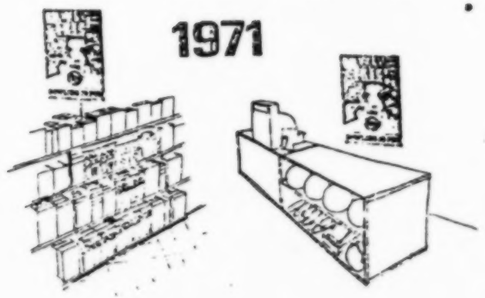
1971 Twice the exposure this year

22 MILLION

MERCHANDISING SUPPORT

1970

1971



A1845
Exhibit P79

THIS PROGRAM WILL PROVIDE

- MAXIMUM EXPOSURE
- GENERATE TRAFFIC

BUILD YOUR BUSINESS!..

TAKE FULL ADVANTAGE OF ALL PHASES OF THIS PROGRAM-

To insure your Bowling Center will be listed in LIFE and/or LOOK-or newspaper media

SIGN UP NOW!

A1846
Exhibit P79

PLAINTIFF'S EXHIBIT P-80

Brunswick CORPORATION
OFFICE OF THE CHAIRMAN OF THE BOARD

Dear Stockholders:

In the May 1 issue of Forbes Magazine, you may have seen an article about the Company which may have caused you concern as it did us. Attached you will find a news release which, I believe, explains the Company's position.

To put it simply, the earnings which we have reported to you are fairly and accurately stated, and reflect the true operating results of the Company.

The news media did not accept our release since they consider it to be a part of a private controversy between Forbes and Brunswick Corporation, so we are taking this means to bring it to your attention.

John L. Hanigan

5401 OLD ORCHARD ROAD / SKOKIE, ILLINOIS 60076 U.S.A. / TELEPHONE 312 · 982 · 6000

A1847
Exhibit P80

NEWS from Brunswick CORPORATION

One Brunswick Plaza Skokie, Ill. 60076 982-6000

The following statement was issued by Brunswick Corporation April 27, 1972:

This week a misleading article about Brunswick appeared in FORBES magazine (May 1, 1972) that contained misstatements, distortions, and innuendos reflecting on the quality of the Company's reported earnings. The Company's management believes it has an obligation to its shareholders and investing public to set the record straight.

The major thrust of the article is a very damaging suggestion that Brunswick's turnaround and reported profits since 1965 are "not true operating profits," but rather are "inventory profits" resulting from the fact that Brunswick "wrote off too much" in 1965 "when the bowling boom collapsed."

The fact is that in 1968 the Company recognized that its reserves were $8,500,000 greater than needed, but the reversal of this amount was reflected as an extraordinary credit and not as part of operating income. This was clearly disclosed in the Company's 1968 Annual Report to shareholders.

Furthermore, no profit at all was recognized on the resale or lease of repossessed bowling equipment inventories prior to 1968. In 1968, the Company began to reflect resales and leases of repossessed bowling equipment in consolidated net sales and revenue, but included only a normal gross margin in operating income. The effect of this change in accounting on 1968 consolidated net earnings was $610,000, or about 3¢ per share and was also clearly disclosed in the 1968 Annual Report to shareholders. Since 1968, the amount of repossessed bowling equipment was declining and earnings from sales and leases of such items have been less than in 1968.

In addition, the article implies that substantial operating profits have been contributed by retail bowling operations, repossessed and operated by the Company. In fact, to avoid taking additional equipment back into inventory, Brunswick operated such bowling centers, and during the first few years after takeover, suffered significant operating losses and negative cash flows. While the retail bowling center operations are now profitable, this was accomplished only after considerable time and effort by management coupled with the general turnaround in the retail bowling industry.

The article also states that several of these repossessed bowling centers have been resold at very substantial profits. The Company has resold six retail bowling centers since 1965, of which four were sold in 1971. The net effect on 1971 consolidated net earnings of the four center sales was about $200,000.

(over)

A1848
Exhibit P80

PX 81
in evid
5/4/73

cc: Vance Cornish
Bill Francis

Certified No. 196509
Return Receipt Requested

March 19, 1973

Mr. Vincent Sorbello
42 Main Street
Lodi, New Jersey

Reference: Lease dated June 25, 1970 by and between Mr. Sorbello and Brunswick Corporation regarding Lodi Lanes

Dear Mr. Sorbello:

This is to confirm the telephone notification to you by Mr. William Francis of the Brunswick Corporation, that the Brunswick Corporation will cease operating Lodi Lanes as of May 31, 1973.

During the course of the lease, the Brunswick Corporation was forced to make repairs to the premises for your account in the amount of $7,831.13, for which you have already received copies of the bills representing this work.

Accordingly, we will reimburse ourselves by deducting this amount from the April and May rental. Therefore, we will not be paying the April installment to the credit department, and in May we will only be paying $3,152.48.

I am sure a representative of the credit department will be contacting you in the near future to discuss the future handling of your balances with them.

Sincerely,

R. W. Johnson
Property Administrator

LMJ/ar

A1850
Exhibit P81

The Internal Revenue Service claim for income taxes discussed in the article was fully covered in the 1971 Annual Report and had been previously disclosed by a special press release last August, when the probability of a substantial claim became known.

Note 3 in the 1971 Annual Report said: "The Company believes that its treatment of the items in question was proper and in accordance with both the Internal Revenue Code and generally accepted accounting principles. In the opinion of legal counsel the deductions taken by the Company were properly claimed in determining its income tax liability. The Company intends to defend its position vigorously at all appropriate levels of appeal ... Management is of the opinion that its reserves for Federal income taxes are adequate and that any adjustments which may ultimately be determined will not materially affect the financial position or results of operations of the Company."

The special tone of malice in the article appears to have been prompted by annoyance at having been denied a personal interview.

Because of the misstatements, distortions, and innuendos in the article and the effect of the allegations on the investing public, Brunswick plans to call this problem to the attention of the Securities and Exchange Commission.

BEST COPY AVAILABLE

A1849
Exhibit P80

BRUNSWICK
BOWLING ESTABLISHMENT LEASE

Brunswick CORPORATION

THIS LEASE, dated June 25th, 1970 by and between

VINCENT A. SORBELLO and RAPHAEL A. SORBELLO

a _____ corporation, hereinafter called "Landlord", and BRUNSWICK CORPORATION, a Delaware corporation, hereinafter called "Tenant" or "Brunswick";

WITNESSETH:

Section 1. PREMISES. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the following:

(a) The land and parking area located at and commonly known as 58-60 Terhune Avenue, Lodi, New Jersey, together with the easements and hereditaments appertaining thereto, as outlined on the plat plan attached hereto and made a part hereof as Exhibit A;

(b) The improvements on said land consisting principally of a building in which there has been or is being operated a bowling business known as Lodi Lanes (herein called the "Principal Building"); and

(c) All furnishings, fixtures, equipment, signs and other non-bowling items of chattel property of every kind and character located in, on or about the Principal Building and the above described land and parking lot owned by Landlord and used or useful in connection with the operation of said bowling business, including those items listed in Exhibit B attached hereto and made a part hereof; (herein called "Equipment")

All of said real and chattel property taken together is sometimes hereinafter referred to as the "Premises").

Section 2. INITIAL TERM. The initial term of this Lease shall be 36 months, beginning on the 1st day of July 1, 1970, and ending on the 31st day of May, 1973

Section 3. OWNERSHIP. Landlord warrants that it owns the Premises in fee simple and has the legal right to enter into this Lease with Tenant. Landlord further warrants that the Premises are free and clear of all tenancies and encumbrances except a real estate mortgage dated _____, 19__, and recorded in the land records of _____ County, _____, Mortgage Book No. _____ Page _____, and Landlord further warrants that the said mortgage is not now in default.

Section 4. RENTAL. Tenant shall pay to Landlord rental at the rate of $5,616.66 per month in advance, on the first day of each month during the term of this Lease. All payments are to be made by Tenant to Landlord at 42 Main Street, Lodi, New Jersey, or at such other place as Landlord may from time to time designate in writing. At the option of Tenant, mortgage payments payable by Landlord pursuant to the terms of any mortgage on the Premises, may be made by the Tenant and the amounts so paid may then be deducted from rental payments due under this Lease. Landlord will exert its best efforts to obtain from the mortgagee of said mortgage an agreement which will permit Tenant to make said mortgage payments with or without there being any delinquency on the mortgage.

A1851
Exhibit P81

41

(a) Tenant's options

(1) Tenant shall have the option to be exercised by giving Landlord written notice at least 60 days prior to the expiration of the term, to extend the initial term of this Lease for an additional term of seven (7) years commencing upon the expiration of the initial term, at the same rental rate as provided herein for the initial term.

(2) In addition to the option contained in (1) above, Tenant also shall have the option, to be exercised by giving Landlord written notice at least 60 days prior to the expiration of the initial term or any extension thereof, to extend the term of the Lease for an additional term of five years, commencing upon the expiration of the initial term and any extension thereof, at the same rental rate as provided herein for the initial term.

(3) In addition to the options contained in (1) and (2) above, Tenant also shall have the option, to be exercised by giving Landlord written notice at least 60 days prior to the expiration of the initial term or any extension thereof, to extend the term of the Lease for an additional term of five years, commencing upon the expiration of the initial term and any extension thereof, at the same rental rate as provided herein for the initial term. (See Addendum)

Section 6. CARE AND MAINTENANCE OF PREMISES. Tenant shall make all repairs to the interior non-structural portions of the Premises, including plate glass, which are necessary to keep the Premises in good order and repair except for ordinary wear and tear and except for any repairs or replacements made necessary as a result of damage caused by any of the perils covered by the standard fire, extended coverage, vandalism and malicious mischief policies of insurance required to be carried hereunder; however, in no event shall Tenant be required to improve the condition of the Premises over that existing on the date of this Lease. Landlord shall promptly make all other repairs and replacements necessary to maintain the building in compliance with all laws and governmental regulations and to protect and maintain the Premises, including, but not limited to exterior walls, roofs, and the heating, air conditioning, cooling and ventilation systems in the building in good order and repair. Tenant may, but need not, make emergency repairs and replacements which are Landlord's obligation. Landlord shall immediately reimburse Tenant for the cost of such repairs and replacements or Tenant may deduct the cost from the rent payable under this Lease. Landlord warrants that on the date of this Lease the building and its mechanical equipment are in good condition and that Landlord knows of no substantial defect therein. Tenant shall have the right to make such interior and exterior alterations as Tenant may determine to be an enhancement of the premises. (See Addendum)

Section 7. TRADE FIXTURES. Tenant shall have the right to remove its trade fixtures and improvements, bowling equipment and other chattels. Following the termination of the initial term and any extension thereof, Tenant shall be permitted to retain possession of the Premises for such period of time, not to exceed 30 days, as may reasonably be required to remove its said property from the Premises.

Section 8. LANDLORD'S ACCESS TO PREMISES. Landlord shall have the right to enter upon the Premises at all reasonable hours for the purpose of inspecting the same, or for the purpose of making repairs or alterations to the Premises or any adjacent properties or for any other purpose or purposes contemplated under this Lease. In exercising such rights the Landlord shall not unreasonably interfere with Tenant's business.

Section 9. UTILITIES. Landlord agrees to furnish the existing heating, air conditioning, cooling and ventilation systems which will adequately maintain temperature, humidity and ventilation which will meet applicable codes for the conditions for the use and occupancy of the Premises as equipped. Landlord agrees to provide for Tenant at the Premises an adequate supply of water, electricity and gas and an adequate sewerage system and Tenant shall pay promptly all charges for the use of such facilities. (See Addendum Section 6)

Section 10. INSURANCE. Tenant shall carry and pay for standard fire and extended coverage and vandalism and malicious mischief insurance, which names Landlord as an additional insured, in an amount equal to the actual cash value of the bowling alley floors (or beds), pinsetters, and other bowling bowling equipment and other chattels owned or installed by Tenant. Tenant will furnish evidence of such insurance to Landlord. Landlord, which landlord states to be $400,000.

Tenant shall carry and pay for Comprehensive Public Liability insurance, which names Landlord as an additional insured, on the Premises (and elevator insurance if there are elevators on the Premises) during the Tenant's occupancy thereof, with Bodily Injury limits of $100,000. per person, $300,000. per accident and a Property Damage limit of $50,000. per occurrence. Tenant will furnish evidence of such insurance to Landlord.

Tenant Landlord shall carry and pay for standard fire, extended coverage, and vandalism and malicious mischief insurance, which names Landlord as an additional insured and which provides for waiver of subrogation rights against Tenant, covering and in an amount equal to the actual cash value of the Premises, improvements and appurtenances. Landlord will furnish to Tenant evidence of such insurance. Landlord states that the actual cash value is $350,000.

A1852
Exhibit P81

During the time that Brunswick Corporation is the Tenant of this Lease, it may satisfy each requirement of insurance hereunder (other than public liability insurance) by providing insurance containing provision for a deductible clause in the amount of up to $25,000.00, and by including the Premises in any appropriate blanket policy which it may carry, which blanket policy need not name Landlord as an additional insured, and with respect to the Brunswick bowling equipment, it may act as a self-insurer.

All insurance policies or contracts provided for above shall contain a requirement that there be ten days' written notice to each insured prior to the cancellation of insurance with respect to that insured.

At least fifteen days prior to the expiration of any insurance which has been provided pursuant to the requirements of this section, the party responsible for carrying the insurance will provide to the other party evidence of renewal of such insurance or the replacement thereof.

Section 11. DAMAGE OR DESTRUCTION. If the Premises are destroyed or damaged by fire or the elements or other casualty and the damage or destruction is such that it cannot be repaired by Landlord within sixty days, or if it is such as to exceed 50% of the value of the Premises, Tenant may cancel this Lease by written notice mailed to Landlord thirty or more days before the effective date of cancellation and at anytime within sixty days after the damage or destruction. If the Premises are totally destroyed, Tenant may cancel this Lease by written notice mailed to Landlord within thirty days of the destruction. If this Lease is not cancelled as provided, Landlord at its expense shall with diligence repair, rebuild or restore the improvements and appurtenances as nearly as possible to the conditions existing just prior to the destruction or damage. Tenant's rental during the period from the date of fire or other casualty to the date of complete restoration shall be abated either in whole or pro rata in part, according to the percentage of interference with the conduct of Tenant's business in the Premises.

Section 12. EMINENT DOMAIN. Landlord shall immediately notify Tenant as to any notice or knowledge of any proposed condemnation or eminent domain activity which may affect the Premises.
If Tenant, upon receipt of such notice or other notice that there shall be taken or condemned by any competent authority:

(a) the whole of the Premises, or

(b) less than the whole of the Premises but the remaining portions of the Premises are not sufficient in Tenant's judgment for the conduct of its normal business operation and Tenant so notifies Landlord within one month after such notice,

then, and in either such event, Tenant may cancel and terminate this Lease as of the time when such taking or condemnation will affect Tenant's business and the parties shall be relieved and discharged of all further liability accruing after the date of such termination except that the rental accruing during the month of such termination shall be apportioned pro rata on a daily basis. Each party shall keep its own award and in the event only one award is given, it shall be apportioned between the parties as their respective interests shall appear.

If there shall be taken or condemned by any competent authority less than the whole of the Premises, and Tenant does not elect to terminate this Lease, then the rental payable under this Lease following such condemnation shall be abated pro rata in part in the same percentage as the value of the portion condemned bears to the value of the entire Premises.

Section 13. DEFAULT. If Tenant shall neglect or fail to make any payments of rent or other payments to be made by it hereunder, and such failure shall continue fifteen days after written notice thereof, or if Tenant shall neglect or fail to perform or observe any of the other covenants and agreements in this Lease contained and on its part to be performed or observed, subject to Section 20 hereof, then Landlord shall have the right to enter upon the Premises or any part thereof and repossess the same as of its former estate and expel Tenant without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be available and upon entry as aforesaid, Landlord shall have the option to terminate this Lease and Landlord shall have the right to pursue such rights and remedies as may be allowed at law or in equity against Tenant.

If, after the commencement of the term of this Lease, Tenant shall be adjudicated a bankrupt or if Tenant shall make an assignment of all or substantially all of its assets for the benefit of creditors or if Tenant shall file in any court, pursuant to any statute, either of the United States or of any state having jurisdiction, a petition in bankruptcy or insolvency or for reorganization or arrangement, or if any such petition shall be filed against Tenant and such proceeding shall not be dismissed within 60 days after such filing, Landlord may cancel and terminate this Lease.

If, after the commencement of the term of this Lease, Landlord shall be adjudicated a bankrupt or if Landlord shall make an assignment of all or substantially all of its assets for the benefit of creditors or if Landlord shall file in any court, pursuant to any statute, either of the United States or of any state having jurisdiction, a petition in bankruptcy or insolvency or for reorganization or arrangement, or if any such petition shall be filed against Landlord and such proceeding shall not be dismissed within 60 days after such filing, or if there shall be filed a mortgage foreclosure or other lien foreclosure proceeding involving the Premises which adversely affects Tenant's business, and which is not dismissed within 45 days after such filing, or, the same having been filed, the Landlord permits a sale to take place thereunder, Tenant may cancel and terminate this Lease.

If Tenant shall have failed to perform an obligation required to be performed hereunder, then, Landlord may, subject to the provisions of Section 20 hereof, perform said obligation and any costs and expenses incurred by Landlord by reason thereof shall be paid to Landlord by Tenant and Landlord may consider same as additional rental.

If Landlord shall have failed to perform any obligation required to be performed hereunder then, Tenant may either cancel and terminate this Lease, subject to the provisions of Section 20 hereof, or Tenant may, but shall not be required, to perform said obligation and Tenant may deduct any costs and expenses incurred by Tenant from any rent or other sums required to be paid by Tenant.

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Section 14. WAIVER. One or more waivers of any covenant or condition by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and a consent or approval to or of any act requiring consent or approval shall not be deemed to waive or render unnecessary such consent or approval to or of any subsequent similar act.

Section 15. NOTICES. Mailing of a written notice or demand by registered or certified mail in a sealed, postpaid envelope addressed to Tenant in care of Manager, Property Administration Department, Bowling Operations at 69 West Washington Street, Chicago, Illinois, 60602, and to Landlord at _____ shall be sufficient notice or demand as of the time of mailing in any case arising under this Agreement.

Section 16. INTERPRETATION. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third parties, as creating the relationship of principal and agent, or of partnership or joint venture between the parties hereto, it being understood and agreed that neither any provision contained herein, nor any act of the parties hereto, shall be deemed to create any relationship between the parties other than the relationship of Landlord and Tenant.

Section 17. QUIET ENJOYMENT AND USE OF PREMISES. Tenant upon payment of said rent and performing all the other covenants and conditions aforesaid on Tenant's part to be observed and performed shall and may peaceably and quietly have, hold and enjoy the Premises for the term aforesaid and may occupy the same for all lawful purposes and uses free from any disturbance by the Landlord or any other party. Landlord warrants that the existing uses of the Premises are not prohibited by law or by any agreement, and that Tenant shall be free to operate a bowling establishment, to sell bowling supplies and other recreational goods and to operate a food and alcoholic beverage dispensing business in the Premises. In the event that after the commencement of the term of this lease, the laws or governmental regulations affecting the Premises or the business conducted therein are changed so that the said existing uses are no longer permitted, then Tenant may cancel and terminate this Lease. Tenant may, but need not, use the trade name by which the bowling establishment in the Premises is now known. Landlord warrants the continued availability of the existing means of ingress and egress.

Section 18. ENTIRE CONTRACT. This Lease embodies the entire contract of the parties hereto and shall not be altered, changed or modified in any respect, except in writing by a duly authorized officer or attorney-in-fact of Tenant in Chicago and by Landlord.

Section 19. ASSIGNMENT. Tenant may assign this Lease or may sublet the Premises or any portion thereof and shall give Landlord written notice thereof. Notwithstanding any such assignment, notice of any alleged default by any such assignee shall be given by Landlord to the original Tenant herein in the same manner as provided with respect to the default of Tenant under Sections 13 and 20 of this Lease, and the original Tenant herein shall have the same rights to cure such alleged default as if no assignment had taken place.

Upon any assignment or subletting the Tenant named herein shall remain liable for the payment of the rent and the performance of other terms and conditions herein contained on the part of the Tenant to be performed, provided, however, that if the Tenant sells its bowling equipment and trade fixtures and Tenant's business in the Premises to a bona fide purchaser, either for cash or upon Tenant's standard credit terms, Tenant may assign this Lease to such purchaser and, upon the execution of a written assumption of this Lease by the purchaser for a period of not less than ten years, and the delivery thereof to the Landlord, the named Tenant herein shall be released from all liability of every kind and character under the terms of this Lease accruing subsequent to the date of the delivery of such instrument of assumption to the Landlord. In connection with any such assignment, Landlord agrees to sign such additional documents as Brunswick may reasonably require to provide additional security as against such assignee.

Section 20. NOTICE OF BREACH. Any provision herein to the contrary notwithstanding, no breach under this Lease (other than the failure to pay rent) shall be enforced against the Tenant unless the Tenant shall fail to remedy the breach within thirty days after written notice from the Landlord specifying the breach, or, if the breach for any default other than non-payment of rent cannot be remedied within thirty days, then within a reasonable time thereafter provided Tenant commences to remedy such breach within said thirty day period and prosecutes it to completion with diligence.

No breach under this Lease shall be enforced against the Landlord unless the Landlord shall fail to remedy the breach within thirty days after written notice from the Tenant specifying the breach, or if the breach cannot be remedied within thirty days, then within a reasonable time thereafter, provided Landlord commences to remedy such breach within said thirty-day period and prosecutes it to completion with diligence.

Section 21. MEMORANDUM OF LEASE. The parties hereto, concurrently with the execution of this Lease, have executed a short form of lease suitable for recording which may be recorded by either party.

Section 22. SECTION HEADINGS. The section headings used herein are for convenience and reference only.

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Section 23. SUCCESSION. All covenants and agreements herein contained shall be binding upon and shall inure to the benefit of successors in interest and signs of the parties hereto.

Section 24. TAXES. Landlord agrees to pay when due real estate taxes, which may be levied against the Premises, and to pay personal property taxes on all personal property on the Premises which is owned by Landlord. Landlord will provide to Tenant evidence of such payment within 30 days after making same.

Section 25. NON-SUBORDINATION. This Lease shall not be subordinate to any mortgage or other lien hereafter to be executed or perfected with respect to the Premises.

Section 26. LANDLORD TO ASSIST WITH LICENSES. Landlord will assist Tenant in every way reasonably possible to enable Tenant to obtain or procure by transfer or otherwise, the licenses necessary to operate the bowling establishment, billiard room, bar and restaurant and other businesses attendant to Tenant's normal operations in the Premises. In the event that, through no fault of Tenant, (a) Tenant is unable to obtain any such license, or (b) having obtained the same it is revoked, then Tenant may cancel and terminate this Lease. To the extent that Tenant obtains the benefit of a license fee pre-paid by Landlord, Tenant will make payment to Landlord therefor on a pro rata basis.

Section 27. CANCELLATION. During the time that Brunswick Corporation is the Tenant of this Lease, it shall have the right at any time to cancel and terminate this Lease upon the payment to Landlord of 50% of the remaining unpaid rentals due during any term or extension upon which Brunswick Corporation is then obligated as Tenant hereunder.

Section 28. SERVICE AGREEMENT (See Addendum)

Section 29. EXISTING OBLIGATIONS OF LANDLORD TO TENANT (See Addendum)

This Lease consists of 4 printed pages (including this page and page 6 and ____ containing acknowledgements) together with Exhibit A and B, and additional paragraphs numbered 1, 4, 5, 6, 28+29 to ____ inclusive, which are attached hereto as additional pages 7 through 13

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

ATTEST:

Carmella Gallo
As to Vincent ~~Secretary~~ A. Sorbello

VINCENT A. SORBELLO, Landlord

By Raphael A. Sorbello
RAPHAEL A. SORBELLO, Landlord

ATTEST:

Assistant Secretary

BRUNSWICK CORPORATION

By
Vice President—Tenant

ACKNOWLEDGEMENT BY INDIVIDUAL LANDLORD

State of New Jersey County of Bergen, ss.

On this 25th day of June, 1970, before me _____, a Notary Public in and for the State of New Jersey County of Bergen, personally appeared VINCENT A. SORBELLO to me known to be the identical individual/s described in and who executed the within instrument, to whom I first made known the contents thereof and acknowledged that he/she/they signed, sealed and delivered the same as his/her/their free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year of this certificate above written.

Carmella Gallo
Notary Public Carmella Gallo

My Commission Expires January 19, 1976

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ACKNOWLEDGEMENT BY PARTNERSHIP LANDLORD

State of _____ County of _____, ss.

On this ____ day of _____, 19____, before me _____, a Notary Public in and for the State of _____ County of _____, personally appeared _____ known to me to be (one of) the partners in the partnership of _____ and the partners, or one of the partners, who subscribed said partnership name to the within instrument, and acknowledged to me that he/they executed the same in said partnership name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year of this certificate above written.

_____
Notary Public

My Commission Expires _____

ACKNOWLEDGEMENT BY CORPORATION LANDLORD

State of _____ County of _____, ss.

On this ____ day of _____, 19____, before me _____, a Notary Public in and for the State of _____ County of _____, personally appeared _____ to me personally known to be the identical person who signed the attached instrument and known to me to be the _____ of the corporation which executed the same, who being by me duly sworn, did say that he is _____ of _____, that he knows the seal of said corporation, that the seal affixed to said instrument is the seal of said corporation and that the said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged the execution of said instrument to be his free, true and lawful act and deed and the free, true and lawful act and deed of said corporation by him in his said capacity and by it voluntarily executed for the uses, purposes and consideration therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year of this certificate first above written.

_____
Notary Public

My Commission Expires _____

ACKNOWLEDGEMENT BY TENANT

State of Illinois
County of Cook } SS

I HEREBY CERTIFY that on this 29th day of June, 1970, before me, the subscriber, a Notary Public of the State of Illinois, in and for the County of Cook aforesaid, personally appeared W. Rude, Vice President of BRUNSWICK CORPORATION, Tenant herein, and acknowledged the foregoing Lease to be the free and voluntary act of said corporation.

WITNESS my hand and Notarial Seal.

My Commission Expires 2-27-74

Teresa Reed
Notary Public

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ADDENDUM TO

BOWLING ESTABLISHMENT LEASE

THIS ADDENDUM is to a certain Bowling Establishment Lease dated June , 1970, by and between VINCENT A. SORBELLO and RAPHAEL A. SORBELLO, hereinafter called "Landlord" and BRUNSWICK CORPORATION, hereinafter called "Tenant". Said Lease is hereby amended as follows:

Section 1. PREMISES. (Continued)

The Premises also include the parking lot leased by the Landlord adjacent and on the east of the principal building. Section 1 is further amended by excluding from the Premises the area devoted to the operation of the cocktail lounge and the equipment and personal property devoted to such cocktail lounge business, the exclusive control of which is reserved to the Landlord. In addition, Landlord further reserves (a) the right to use portions of the bowling center concourse and other areas of principal building for the service of alcoholic beverages and other purposes necessary for the operation of such cocktail lounge business in a manner similar to how it has been operated heretofore. The said exclusion and reservation shall cease and this Lease accordingly be amended to include the premises of the said cocktail lounge upon the exercise by Tenant of its option to purchase the said cocktail lounge business.

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Section 4.

If Tenant shall have purchased from the Landlord the cocktail lounge business now held by Landlord at the premises during the term of this Lease or any renewals thereof and the premises defined by this Lease shall have been amended to include the portion of the building occupied by the cocktail lounge, then from and after the date of such purchase and the said amendment of this Lease, the rent shall be at the rate of $91,000 per year.

Section 5. TENANT'S AND LANDLORD'S OPTIONS.

In the event that Brunswick does not give notice of its exercise of any option to renew during the 90-day period prior to the end of the current term, Landlord shall have the right to have its personnel in the Premises to observe the operations of Brunswick so as to become familiar therewith prior to the end of such term.

(4) In the event that Landlord shall exercise his option as provided in Section 5(b) (1), then Tenant shall have the right, as provided in Section 5(b) (2), to pay Landlord for any deficiency.

(b) Landlord's Option

(1) The parties recognize that the profitability of the cocktail lounge operations on the premises is fully dependent on the successful management of the bowling operation and that improper

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management of the bowling operation will have an adverse effect on the profits realized by Landlord from the cocktail lounge operations on the premises. The parties agree that proper management of the bowling operations should result in an operating profit (as calculated pursuant to the accounting system provided by Tenant) in the cocktail lounge operations of $23,600 per year. If during the twelve month period following the signing of this Lease or during any succeeding twelve-month period, the said profits from the cocktail lounge are less than $23,600, the amount which the parties agree would result from the proper management of the bowling operation, then Landlord at his option may cancel this Lease by written notice within 60 days from the expiration of the twelve-month period yielding deficient operating profits. Said notice shall state the amount of the deficiency in said profits during the twelve-month period.

(2) In the event the Landlord shall exercise his option under Section 5(b) (1), then Tenant at its option shall have the right to pay Landlord an amount equal to the deficiency within 30 days from the date of the notice of cancellation. If the Tenant exercises this option, then the notice of cancellation shall be ineffective and the terms of this Lease shall continue to apply.

Section 6. CARE AND MAINTENANCE OF PREMISES. (Continued)

As a condition of Tenant becoming obligated on this Lease, Landlord agrees to make the following repairs to the Premises promptly after the commencement of the term hereof:

Air Conditioning System #1

1. Points in the electrical contactors are badly pitted and should be replaced.
2. Blower wheels need thorough cleaning.
3. Blower coupler needs replacement.
4. Condensate pan needs cleaning and painting.

Air Conditioning System #2

1. Points in the electrical contactors are badly pitted and should be replaced.
2. Blower wheels need thorough cleaning.
3. Blower coupler needs replacement.
4. Condensate pan needs cleaning and painting.
5. Blower chamber serving both systems needs a thorough cleaning and all covers lying around replaced.

Mens Restroom

1. Both hand dryers are missing and need replacement.

Building Exterior

1. Majority of the downspouts are broken and missing and need thorough repair.
2. The entire exterior of the building needs painting.
3. The majority of gutters around the building need repair or replacement.
4. Due to lack of a downspout, a corner of the building at the rear entrance is eroded and needs replastering.
5. Exterior of the building immediately next to the rear entrance needs finishing exterior-wise due to a storeroom addition.
6. All aluminum doors to the center need repair and in approximately four instances, doors need replacement.
7. Roof leaks.

Tenant will obtain and provide to Landlord an estimate as to the cost of each item, and at Landlord's option, Landlord may direct Tenant to make the repairs at said cost, but all at Landlord's expense. After the completion of said repairs, Tenant will be responsible for the care and maintenance of the Premises as provided in Section 6.

Section 28. SERVICE AGREEMENT.

As part of the consideration for the execution of this Lease, the Landlord has required that Tenant execute, concurrently herewith, a Service Agreement by which Tenant agrees to perform certain services to Landlord which will be essential to the successful operation of the cocktail lounge. The parties hereto recognize the importance of such Service Agreement and also recognize the importance of the continued operation of the said cocktail lounge to the success of the bowling center business. Landlord agrees to make their best efforts to keep the license for such lounge in good standing and to make no effort to transfer the said license from the premises.

Section 29. EXISTING OBLIGATIONS OF LANDLORD TO TENANT.

Nothing in this Lease shall diminish or modify the obligations of Landlord to Brunswick Corporation under certain contracts for the purchase from Brunswick Corporation of bowling equipment now installed in the Premises. Landlord agrees that in the event that Landlord fails to make any payment required under said contract on the date required, such failure shall be a default under this Lease, and in addition to any other remedies which may be available to Brunswick Corporation arising from said default, Brunswick Corporation may deduct any such delinquent payment and any late charges and interest thereon from rental payments which would otherwise be due under this Lease.

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Exhibit P87

Recreation

Brunswick Comes Back With Non-Bowling Operations

THE TOP OFFICER of Brunswick Corp, John Leonard Hanigan, says he never makes earnings forecasts. Naturally reticent, the 58-year-old executive has had plenty of experience dodging questions—he spent 26 years at Corning Glass where management is known for its restraint. Hanigan was executive vp of the Dow-Corning unit when he left in 1963 to take over the presidency of then-beleaguered Brunswick. At the time Benjamin Edward (Ted) Bensinger moved up to chairman (a post the 64-year-old Yale man still holds) and in 1966 he gave Hanigan the chief executive title as well.

Forecasts aside, Jack Hanigan these days is making a determined effort to talk about Brunswick. On a brief trip to New York from Chicago headquarters recently, he stressed: "This is a different company and a lot of people don't realize it." Last year Brunswick derived most of its profits from two non-bowling operations: 85%-owned Sherwood Medical Industries and the 1961-acquired Mercury marine motor division. With sales up 7% to $450,000,000, Brunswick earnings in 1969 totaled $14,470,000 or 78¢ a share vs 68¢.

This represents the fourth straight recovery year for Brunswick. Peak profits came in 1961 when the company netted $44,980,000 ($2.58). Bowling revenues then accounted for 70% of business compared to under 15% last year. When its automatic pinsetter business collapsed, profits crumbled. In 1962 earnings fell 46% and the decline accelerated until 1965 when the company recorded a $76,700,000 deficit. That year Brunswick wrote off most of its inventory of repossessed pinsetters and provided for future losses on receivables.

Quiet-spoken Jack Hanigan, who wears metal-framed eyeglasses, says: "It's a comfort these days to have a solid balance sheet. We have really cleaned it up. Our accounts receivable are in strong hands. For the good bowling proprietor, bowling is a helluva good business."

Brunswick still sells pinsetters, mostly for replacement, and remains the leading maker of bowling supplies. Brunswick has been No 1 in bowling for most of its 125-year life and it was in large part to protect this dominance of the equipment field—from alleys to pins to balls—which led it to develop its pinsetter, following AMF's pioneering Pinspotter (IR, May 6).

Potential Contributor

Interestingly enough, one cause of its woes has turned into a potentially sound profits contributor. The company repossessed a number of bankrupt bowling centers, mostly in 1965. Under Brunswick tutelage, the 175 centers last year produced a net profit of over $300,000 on revenues estimated around $37,000,000. As depreciation costs decline, the president believes the operation will earn at least $3,000,000 pre-tax annually by 1973.

Brunswick has acquired its way into several other fields. In 1959 it bought AS Aloe, a distributor of medical supplies and scientific equipment. Brunswick subsequently purchased several small medical equipment manufacturers. In 1968 the company consolidated its medical activities, except for the Aloe distribution operation, into Sherwood Medical Industries and sold 750,000 shares to the public at 29 (Sherwood now trades on the Amex around 41).

Sherwood Disposables

Sherwood, which is consolidated in Brunswick accounts, netted $6,450,000 in 1969 on sales of $48,700,000. Most of its business is in disposable medical products like needles, syringes, tubes, procedure kits. Early this year Brunswick sold Aloe to Sherwood for $15,700,000. Aloe has sales in the neighborhood of $60,000,000. Sherwood is now the No 2 hospital supplies distributor after American Hospital Supply.

Brunswick's second big profits contributor, the Mercury division, stands No 2 in the industry after Outboard Marine which has both Johnson and Evinrude. President Hanigan notes some softness in stern drives (inboard-outboard motors which range up to 390 hp) and inboard engines but adds "we've been able to shift that into outboard motors," Mercury's main business. Concorde fiberglass yachts have felt the recession however. The division (once known as Owens Yacht) brings in about 3% of Brunswick sales but sails in a red sea.

The consumer products division includes MacGregor sporting goods,

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Zebco fishing tackle, Australian ski supplies, Brunswick billiard tables. "In toto," the president explains, "the division is profitable. But sporting goods is simply a matter of marketing—there's no way to have a technical advantage. If you made a club that would drive a ball 450 yards, it would be declared illegal." Jack Hanigan is a golfer, "a terrible one," and enjoys bone fishing.

The rest of Brunswick is comprised of the technical division, which does military work, mainly aircraft radomes (radar housing), as well as general R&D for the company, and the international division (12% of sales).

Again led by Sherwood and Mercury, Brunswick profits in the March quarter improved to 18¢ a share from 14¢. Jack Hanigan says the company has been affected by the Teamster walkouts in the second quarter but only so far as suppliers are concerned. Brunswick has its own fleet of 100 trucks. Wall Streeters expect full-year earnings to rise at least 15% to 90-to-95¢ a share.

Jack Hanigan has a five-year plan which "shows steady earnings improvement." However as far as the company is presently constituted, he does not see Brunswick returning to its 1961 profit level in the period: "That would mean an after-tax return of 25% on current stockholders equity. It's not possible."

Nor have prices of the 18,700,000 Big Board-listed "BC" shares come close to the glamorous bowling peak levels. A steep climb from 8 in 1959 to 75 in 1961 was followed by a collapse to 13 the next year and 6 by 1966. BC recovered to 25 last Summer but, despite the earnings advance, the stock dropped back to a 32-month low of 9⅞ in May and as of last week traded around 13.

Brunswick has poured big sums into three new products, two of which should start to return some dividends this year. It has spent $10,000,000 on Brunsmet, a metal fiber for use in carpets, acoustical material, hospital uniforms. The fiber neutralizes electrical charges and thus is shockfree. Other advantages in carpets: "It keeps dirt from clinging and is longer wearing."

Brunswick has invested $5,000,000 in a computerized bowling scorer. The $13,000 automatic device also "inserts handicaps, gives a printout of the score and eliminates free frames. It takes care of four lanes at once." Brunswick hopes to install 500 scorers this year, "if we can make that many," vs 50 in 1969. Most are being sold outright.

The third project, All-Seasons Golf, is more of a financial gamble. So far Brunswick has spent $5,000,000 on this computerized indoor golf game. The player drives the ball down what appears to be a fairway but it is actually a panoramic picture projected on ribbons of nylon. A light beam acts as a sensing device, computing the velocity and trajectory of the ball. The picture changes for the various fairway shots. If the ball lands in the rough, the floor turns over and simulates that condition. There are also water holes and sand traps. After the player gets on the apron or green itself, he goes to the next room to chip or putt. When finished he presses a button, the green undulates and stops at random. Then he returns to tee off in the first room. The game pictures nine fairways.

Currently Brunswick is market testing "the commercial feasibility of the game. We have not made any decision on producing it." Brunswick has built nine games and operates them on Woodhaven Boulevard in Queens, in Chicago suburb Lombard, Buffalo and by Fall in Tokyo. The US test lay-outs use portions of Brunswick-owned bowling centers; in Queens three golf games take up the space of seven bowling alleys. The game is usually rented by a foursome —$20 an hour for prime time at the Queens outlet.

Jack Hanigan thinks Japan might become the big market. "There is no land there and golf is a status symbol. They even have five-story driving ranges." He adds all research expenditures have been expensed so there will be no big writeoffs if any of the new projects flop.

President Hanigan has set up certain standards for the company's various operations. To this end, Brunswick in December sold its $23,000,000-sales School Equipment division for $9,800,000. To Jack Hanigan, a Brunswick business "must have a technical advantage or be a major factor in the market or both."

From tee . . .

. . . To green, all indoors

BRUNSWICK CORPORATION --

SUMMARY OF PINSETTER SALES (NEW) AND REPOSSESSIONS OF PINSETTERS -- IN UNITS IN THE U.S.

Year	Sales	Repossessions
1956	1,890	no record
1957	7,041	no record
1958	10,528	no record
1959	12,876	no record
1960	15,232	no record
1961	16,288	300
1962	7,518	1,462
1963	2,978	3,354
1964	1,441	4,592
1965	659	5,996
1966	244	3,658
1967	295	1,688
1968	112	716
1969	118	783
1970	173	290
1971	72	116
1972	1,048	50

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Exhibit D1

A1867
Exhibit D1A

INTERSTATE LANES
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 1 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
****GROSS REVENUE****													
TEN PIN REVENUE													
TEN PIN AD LGE REV	31010100	22391	35.1	19631	33.5	20554	33.2	181186	35.5	164753	33.0	151129	31.3
TEN PIN AD OPEN REV	31010200	8569	13.4	9112	15.5	8797	14.2	87752	17.2	83763	16.7	88141	18.2
ADULT SPECIAL	31010201	45	1	165	2	1		749	1	1716	3	285	1
ADULT TOURNAMENT	31010202							304	1	420		33	
TEN PIN JR LGE REVEN	31010300	2302	3.6	1350	2.3	2390	3.9	16973	3.3	9325	1.8	15580	3.2
TEN PIN JR OPEN REV	31010400	3063	4.8	3025	5.1	2973	4.8	23853	4.7	27225	5.4	27487	5.7
JUNIOR SPECIAL	31010401	296	5	100	1	327	5	3223	6	1740	3	1952	4
JUNIOR TOURNAMENT	31010402	153	2	750	1.2	128	2	324	1	7000	1.4	262	1
SCHOOLS	31010403			150	2			1080	2	300		190	
TOTAL TEN PIN REVENUE		36819	57.8	34283	58.6	35170	56.8	315453	61.9	296242	59.4	285052	59.0
TOTAL BOWLING REVENUE		36819	57.8	34283	58.6	35170	56.8	315453	61.9	296242	59.4	285052	59.0
SHOE RENTAL													
SHOE RENTAL REV	32010100	1760	2.8	1625	2.7	1716	2.8	15208	3.0	15032	3.0	15316	3.2
LOCKER RENTAL REV	32010200	69	1			49	1	482	1	460		403	1
TOTAL SHOE RENTAL		1829	2.9	1625	2.8	1765	2.8	15690	3.1	15492	3.1	15719	3.3
PRO SHOP													
PRO SHOP REVENUE	32020100	4464	7.0	1656	2.8	3598	5.8	13626	2.7	14768	2.9	15161	3.1
SHIRT SALES	32020300	159-	3	250	4	205	3	1178	2	2075	4	861	2
TROPHY SALES	32020400	3						2631	5	650	1	1461	3
BALL PLUG & REPAIR	32020600	63	1			48	1	609	1			168	
TOTAL PRO SHOP		4371	6.9	1906	3.3	3851	6.2	18044	3.5	17493	3.5	17651	3.7
BILLIARDS													
BILLIARDS REVENUE	32030100	1119	1.8	1217	2.0	1541	2.5	9358	1.8	11193	2.2	11663	2.4
TOTAL BILLIARDS		1119	1.8	1217	2.1	1541	2.5	9358	1.8	11193	2.2	11663	2.4
VENDING MACHINES													
	33010200											3	
ICE CREAM REVENUE	33010400	76	1					76					
SNACK VENDING MACHIN	33010600	302	5	110	1			2860	6	924	1	224	

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RAMSEY .NJ
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PROFIT OR LOSS - STATEMENT PAGE NO. 2 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
BALL CLEANING MACHIN	33010900	18		12		26		48		109		114	
GAME & MISC MACHIN	33011000	528	8					528	1				
LUSTRE KING MACHINE	33011100	144	2	105	1	3		887	2	920	1	797	2
BOWLERS AID REVENUE	33011200	122	2	55		53	1	770	2	543	1	632	1
TOTAL VENDING MACHINES		1190	1.9	282	5	82	1	5169	1.0	2493	5	1770	4
OTHER RECREATIONAL													
BIRTHDAY PARTY REV	33020500	25						25				173	
PROMOTIONAL BANQUE	33020600							6					
MISCELLANEOUS INCOME	33029900	119	2	150	2	594	1.0	816	2	1800	3	1966	4
TOTAL OTHER RECREATIONAL		144	2	150	3	594	1.0	847	2	1800	4	2139	4
BAR REVENUE													
LIQUOR REVENUE	34010100	6007	9.4	6100	10.4	6254	10.1	42219	8.3	48950	9.8	44693	9.2
DRAFT BEER REVENUE	34010200	2708	4.2	2967	5.0	3052	4.9	22903	4.5	24643	4.9	24537	5.1
BOTTLE BEER REVENUE	34010300	2539	4.0	2300	3.9	2394	3.9	21123	4.1	18400	3.6	19533	4.0
TOTAL BAR REVENUE		11254	17.7	11367	19.4	11700	18.9	86245	16.9	91993	18.4	88763	18.4
FOOD REVENUE													
FOOD REVENUE	34020100	6151	9.7	6980	11.9	6096	9.8	51021	10.0	56000	11.2	54553	11.3
TOTAL FOOD REVENUE		6151	9.7	6980	11.9	6096	9.8	51021	10.0	56000	11.2	54553	11.3
TOTAL FOOD AND BEV. REVENUE		17405	27.3	18347	31.4	17796	28.7	137266	26.9	147993	29.7	143316	29.6
RENT INCOME													
RENT INCOME-BUILDI	35010600							20					
TOTAL RENT INCOME								20					
COMMISSIONS REVENUE													
COMM. VENDING MACHIN	35020100	858	1.3	625	1.0	1120	1.8	7687	1.5	5700	1.1	5911	1.2
COMM. TELEPHONE	35020200			30		27		316	1	305		325	1
TOTAL COMMISSIONS REVENUE		858	1.3	655	1.1	1147	1.9	8003	1.6	6005	1.2	6236	1.3
TOTAL TOTAL GROSS REVENUE		63735	100.0	58465	100.0	61946	100.0	509850	100.0	498711	100.0	483546	100.0

A1869
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INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS — STATEMENT PAGE NO. 3 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
****COST OF GOODS****													
PRO SHOP COST													
PRO SHOP COSTS	42020100	2153	48.2	994	60.0	2496	69.3	8363	61.3	8863	60.0	9097	60.0
SHIRT COSTS	42020300	608	381.3	188	75.2	184	89.9	1240	105.3	1557	75.0	571	66.2
TROPHY COSTS	42020400	45	812.0			74		1449	55.0	39[illegible]	60.0	1493	102.2
TOTAL PRO SHOP COST		2806	64.1	1182	62.0	2754	71.5	11052	61.2	108[illegible]	61.7	11161	63.2
VENDING COST													
SNACK VENDING MACH CST	43010600	101	33.4	61	55.4			1109	38.7	525	54.6	154	68.6
BOWLERS AID COSTS	43011200	444	364.4	36	65.4	199	3	777	100.9	354	65.5	702	1
TOTAL VENDING COST		545	45.7	97	34.3	199	242.6	1886	36.4	859	34.4	856	48.3
BAR COST													
LIQUOR COSTS	44010100	2238	37.2	1342	22.0	2695	43.1	11178	26.4	107[illegible]	22.0	11119	24.8
DRAFT BEER COSTS	44010200	1163	42.9	920	31.0	1260	41.2	5929	25.8	763[illegible]	30.9	6156	25.0
BOTTLE BEER COSTS	44010300	1244	48.9	805	35.0	1014	42.3	6040	28.5	644[illegible]	35.0	5828	29.8
TOTAL BAR COST		4645	41.2	3067	26.9	4969	42.4	23147	26.8	2485[illegible]	27.0	23103	26.0
FOOD COST													
FOOD COSTS	44020100	3851	62.6	2443	35.0	3347	54.8	19038	37.3	196[illegible]	35.0	19139	35.0
TOTAL FOOD COST		3851	62.6	2443	35.0	3347	54.9	19038	37.3	196[illegible]	35.0	19139	35.0
TOTAL FOOD AND BEV. COST		8496	14.6	5510	9.7	8316	14.3	42185	8.6	44452	9.2	42242	9.1
TOTAL TOTAL COST OF GOODS		11847	51.5	6789	33.0	11269	51.8	55123	34.3	5612[illegible]	33.4	54259	33.3
FIXED & CNTRL EXP.													
RENT EXPENSE													
RENT BUILDING	66010100 66010200	5195	8.2	4853	8.3	4850	7.8	52848	10.4	50468	10.1	50457 90	10.4
RENT-BAR CORPS	66010400							1500-	3				
TOTAL RENT EXPENSE		5195	8.2	4853	8.3	4850	7.8	51348	10.1	5046[illegible]	10.1	50547	10.5
DEPRECIATION EXPENSE													

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INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 4 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
DEPR-LEASEHOLD IMPRO	66030100	370	6	330	5	350	6	2243	4	2244	4	2380	5
DEPR-AUTO PINSETTERS	66030300	965	1.5	975	1.6	1332	2.2	6562	1.3	6630	1.3	2509	5
DEPR-BOWL EQUIPMENT	66030500	320	5	321	5	312	5	2176	4	2184	4	2344	5
DEPR-CARPETS	66030600	140	2	141	2	180	3	952	2	954	1	1224	3
DEPR-DRAPES	66030700					4		1005	2			65	
DEPR-SIGNS	66030800	15				10		102				68	
DEPR-OFFICE EQUIPMEN	66030900	100	2	95	1	105	2	680	1	656	1	714	1
DEPR-MISC. EQUIPMENT	66031000	195	3	146	2	216	3	1326	3	1023	2	1145	2
DEPR VENDING	66031200	30		35		45	1	312	1	238		306	1
DEPR R&B EQUIP	66033000	25		32		43	1	170		220		155	
TOTAL DEPRECIATION EXPENSE		2160	3.4	2075	3.5	2597	4.2	15528	3.0	14149	2.8	10910	2.3
LICENSES & TAX EXPENSE								687	1	1000	2	941	2
LISCENSES BOWLING	66040100	60	1	96	1	12		599	1	624	1	670	1
LICENSES-REST.AND BA	66040200	65	1	60	1	81	1	30		30			
LICENSES-BILLIARDS	66040300							15				10	
STATE FRANCHISE TA	66042000												
PROP. TAX-PERSONAL	66042100	169-	3	210	3	39	1	1964	4	2184	4	1919	4
TOTAL LICENSES & TAX EXPENSE		44-	1	366	6	132	2	3295	6	3838	8	3540	7
INSURANCE								1600	3	1600	3	888	2
FIRE INSURANCE	66050100	150	2	154	2	80	1	1600	3	1600	3	888	2
TOTAL INSURANCE		150	2	154	3	80	1						
TOTAL FIXED EXPENSE		7461	11.7	7448	12.7	7659	12.4	71771	14.1	70055	14.0	65885	13.6
PAYROLL EXPENSE								22025	5.9	24700	7.0	22889	6.7
PAYROLL-ADMIN.	67010101	2453	5.2	2375	5.9	2166	4.9	19765	5.3	17537	5.0	16207	4.7
PAYROLL-OPERATIONAL	67010102	1944	4.1	1981	4.9	1983	4.4	15558	4.1	14560	4.1	11231	3.3
PAYROLL-MAINTENANCE	67010103	1019	2.1	1400	3.4	1347	3.0	19085	5.1	8736	2.4	10249	3.0
PAYROLL-PORTERS	67010104	2391	5.1	920	2.2	1392	3.1	11152	2.9	11960	3.4	14220	4.1
PAYROLL-PINCHASERS	67010105	1435	3.0	1150	2.8	1017	2.3	828	1				
TOTAL PAYROLL ADJ H/O	ON	828	1.7										
TOTAL		10070	21.7	7826	19.5	7905	17.9	88413	23.7	77493	22.0	74796	21.9
PAYROLL BARTENDER	67010201	1483	13.1	1250	10.9	1329	11.3	12348	14.3	11010	11.9	11247	12.6

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
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PROFIT OR LOSS - STATEMENT PAGE NO. 5 DECEMBER 1972 PROGRAM LPC80-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
PAYROLL WAITRESS	67010202	465	4.1	520	4.5	387	3.3	3059	3.5	3992	4.3	2565	2.8
TOTAL		1948	17.3	1770	15.5	1716	14.6	15407	17.8	15002	16.3	13812	15.5
PAYROLL COOKS	67010302			544	7.7	282	4.6	2151	4.2	5295	9.4	2305	4.2
PAYROLL WAITRESS	67010303	1164	18.9	1125	16.1	1548	25.3	9161	17.9	10205	18.2	12324	22.5
TOTAL		1164	18.9	1669	23.9	1830	30.0	11312	22.1	15500	27.6	14629	26.8
TOTAL PAYROLL EXPENSE		13182	20.7	11265	19.3	11451	18.5	115132	22.6	107995	21.7	103237	21.4
PAYROLL TAX EXPENSE													
PAYROLL TAX-BOWLING	67020100	574	9	704	1.2	504	8	7037	1.4	6970	1.3	5762	1.2
PAYROLL TAX-BAR	67020200	161	3	159	2	121	2	1136	2	1351	2	1087	2
PAYROLL TAX-RESTAURANT	67020300	96	2	150	2	108	2	969	2	1394	2	1007	2
TOTAL PAYROLL TAX EXPENSE		831	1.3	1013	1.7	733	1.2	9142	1.8	9715	1.9	7856	1.6
EMPLOYEE BENEFITS EXP	67030100											18	
UNION PENSION/WELFAR	67030200	612	9	265	4	352	6	3659	8	2756	5	2326	5
EMPLOYEE MEALS	67030500	109	2	45		71	1	681	1	468		474	1
OTHER BENEFITS	67039900	95	1			102	2	205				102	
TOTAL EMPLOYEE BENEFITS EXP		816	1.3	310	5	525	8	4545	9	3224	6	2920	6
INSURANCE - OTHER													
WORKMENS COMP. INS.	67040100	160	2	154	2	160	2	1689	4	1600	3	1664	4
LIABILITY INSURANCE	67040200	115	2	116	1	115	2	1196	2	1200	2	1196	2
OTHER INSURANCE	67049900	90	1	73	1	90	1	970	2	756	1	946	2
TOTAL INSURANCE - OTHER		365	6	343	6	365	6	3855	8	3556	7	3806	8
TRAVEL & MEETINGS													
TRAVEL & ENTERTAIN	67050100			68	1	224	4	139		704	1	234	
REGIONAL MGR MEETI	67050300							228				231	
EMPLOYEE TRAINING	67050500					39	1	258	1			216	
TOTAL TRAVEL & MEETINGS				68	1	263	4	625	1	704	1	681	1
REPAIRS & MAINTENANCE													

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 6 DECEMBER 1972 PROGRAM LP080-C2

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
JANITORIAL CONTRAC	67060101							123				18	
	67060103											87	
GARBAGE COLLECTION	67060105	240	4	116	1	160	3	960	2	1200	2	950	2
SIGN CONTRACTS	67060106							79					
PEST CONTROL	67060107	36	1	15		18		107		156		104	
FIRE EXTINGUISHER	67060108					14		151				98	
TOTAL		276	4	131	2	192	3	1420	3	1356	3	1257	3
SMALL TOOLS	67060200	84	1	23		28		661	1	236		370	1
PINSETTER PARTS/LAB	67060300	1335	2.1	462	7	1311	2.1	9234	1.8	4800	9	5071	1.0
PINSETTER MAINT. SUP	67060400			34		11		198		352		350	1
LANE PARTS REPLACEMN	67060500	17		44		16		330	1	480		554	1
LANE MAINT. SUPPLIES	67060600	850	1.3	69	1	61	1	1207	2	716	1	621	1
RESURFACING	67060700	130	2	175	2	145	2	1972	3	1640	3	1908	3
JANITORIAL EQUIPT/R&	67060800			53				92		548	1	86	
PIN MAINTENANCE	67060900	221	3	29				254	1	300		283	1
BILLIARD EQUIPT R&M	67061000	236	4	44				345	1	480		31	
REFRIG. EQUIPT R&M	67061100	553	9	48				792	2	496		123	
REST. EQUIPT. R & M	67061200	12		24		19		270		248		470	1
BAR EQUIPT. R & M	67061300	244	4	24				284	1	248		162	
HEAT-A/C R & M	67061500	139	2	87	1	230	4	4030	8	900	1	782	2
BUILDING R & M	67061600	549	9	83	1	144	2	3241	6	860	1	1150	2
EXTERIOR LAND R&M	67061700							236		64		41	
FRAMEMASTER R & M	67061800			6								31-	
BUS REPAIRS & MAINT.	67061900			39		149	2	736	1	404		657	1
VENDING MACHINE R &	67062000	1		6				195		64		33	
SIGN REPAIRS & MAINT	67062200			19						196		51	
OFFICE EQUIPT. R & M	67062500			6				86		64		40	
OTHER REPAIRS/MAINT.	67069900			12				86		120		125	
TOTAL REPAIRS & MAINTENANCE		4647	7.3	1422	2.4	2306	3.7	25283	5.0	14572	2.9	13736	2.8
OPERATING SUPPLIES													
BOWLING SUPPLIES	67070100	1013	1.6	346	5	161	3	3115	6	3600	7	1892.	4
BILLIARD SUPPLIES	67070200			23		51	1	185		236		170	
BUS SUPPLIES	67070300	9		87	1	49	1	274	1	900	1	290	1
RESTAURANT SUPPLIES	67070400	815	1.3	385	6	694	1.1	3597	7	4004	8	2989	6
BAR SUPPLIES	67070500	288	5	46		43	1	754	1	480		358	1
LIGHTING SUPPLIES	67070700	207	3	69	1	105	2	844	2	716	1	461	1
JANITORIAL SUPPLIES	67070800	346	5	144	2	242	4	1647	3	1496	2	1355	3
NURSERY SUPPLIES	67070900			19				153		196		87	

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 7 DECEMBER 1972 PROGRAM LPC80-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
OFFICE SUPPLIES	67071000	24		29		166	3	251		300		362	1
POSTAGE SUPPLIES	67071100	50	1	48		56	1	465	1	496		359	1
DUPLICATING SUPPLIES	67071200			15				284	1	156			
PIN AMORTIZATION	67071300	410	6	398	6			4248	8	4136	8	2720	6
VENDING SUPPLIS	67071600			6				9		64			
OTHER SUPPLIES	67079900	37	1	12				301	1	120		466	1
TOTAL OPERATING SUPPLIES		3199	5.0	1627	2.8	1567	2.5	16127	3.2	16900	3.4	11509	2.4
LAUNDRY													
LAUNDRY-BOWLING	67080100	71	1	35		82	1	487	1	364		488	1
LAUNDRY-BAR	67080200	9		7				33		76		2	
LAUNDRY-RESTAURANT	67080300	24		7		20		192		76		108	
TOTAL LAUNDRY		104	2	49	1	102	2	712	1	516	1	598	1
UTILITIES													
GAS	67090100	293	5	1587	2.7	279	3	2607	5	14508	3.3	3802	8
ELECTRICITY	67090200	1407	2.2			273	2.1	14575	2.9			12333	2.6
WATER	67090400	125	2			184	2	347	1			298	1
OTHER	67099900	78	1			58	1	314	1			211	
TOTAL UTILITIES		1903	3.0	1587	2.7	1713	2.8	17843	3.5	14508	3.3	16644	3.4
COMMUNICATION EXPENSE													
T & T -BASE CHARGES	67100100	204	3	183	3	116	2	815	2	1900	3	510	1
T & T -TOLL CHARGE	67100200	191	3			220	4	1051	2			1573	3
TOTAL COMMUNICATION EXPENSE		395	6	183	3	336	5	1866	4	1900	4	2083	4
OUTSIDE SERVICES													
CASUAL SERVICE-BOW	67110100	133	2			41	1	2253	4			1092	2
CASUAL SERVICE-R&B	67110200	534	8			51	1	1184	2			163	
DETECTIVE SERVICES	67110400			18		49	1	111		184		254	1
LEGAL SERVICES	67110500			70	1	95	2	158		840	1	468	1
PROP. TAX ADMIN.	67110600	24		24		24		250		248		250	1
TOTAL OUTSIDE SERVICES		691	1.1	112	2	260	4	3956	8	1272	3	2227	5
SALES TAX EXPENSE													
SALES TAX-PRO SHOP	67120100	226-	4			192-	3	846-	2			843-	2
SALES TAX-R&B	67120200	47-	1			174	3	13-				117-	

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INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
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PROFIT OR LOSS - STATEMENT PAGE NO. 8 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
	67120300					234	4	917	2			10-	
SALES TAX OTHER	67120600	89	2			216	3	58				997	2
TOTAL SALES TAX EXPENSE		184-	3									27	
ADVERTISING & PROMOTN								77		232			
JR. SHIRTS	67130401	25		22		84	1	19				84	
COACH SHIRTS	67130402					84	1	96		232		84	
TOTAL		25		22									
FIRST LINE TROPHIES	67130501			208	3			2333	5	2160	4	5	
JUNIOR TROPHIES	67130503	44	1					317	1				
TOTAL		44	1	208	4			2650	5	2160	4	5	
	67130701	480	8	481	8			4992	1.0	5004	1.0	5289*	1.1
TOTAL		480	8*	481	8			4992	1.0	5004	1.0	5289	1.1
								25				508	1
BILLIARDS PROMOTIO	67131001	2				56	1	172				43	
BAR PROMOTION	67131201	15						32				330	1
LOCAL TOURN EXPENS	67131401					125	2	488	1			31	
NEWSPAPER ADVERTSI	67131501	25										10	
	67131503											153	
	67131504					130	2	73				1746	4
MAGAZINE ADVERTISI	67131505					768	1.3	2775	5	2056	4	2270	5
BOWLING PROMOTION	67131508	1453	2.3	198	3	1023	1.7	3336	7	2056	4		
TOTAL		1478	2.3	198	3								
TOTAL ADVERTISING & PROMOTN		2044	3.2	909	1.6	1163	1.9	11303	2.2	9452	1.9	8199	1.7
OTHER OPERATING						41	1	693	1			343	1
CASH SHORT/OVER BO	67140100	205	3			34	1	287	1			270	1
CASH SHORT/OVER RE	67140200	37	1			132	2	263	1			132	
ROBBERY LOSSES	67140400					54	1	580	1	120		276	1
FREIGHT	67140600	83	1	12		4-		97-				16-	
CASH RPTS OUT OF B	67140700	115-	2									340	1
	67140800											253	1
	67140900												

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 9 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
												92-	
PURCHASE DISCOUNTS	67141000	26-				15-		90-					
INVOICES IN TRANSI	67141200	1600-	2.5			1600-	2.6					8	
NSF CHECKS	67141300					5-		5					
C/D OUT OF BALANCE	67141900	23-	1					19				227-	
MISC EXPENSE	67149900	4-				6		298					
INVALID ACCOUNT P&	67149990	117	2			24		117					
TOTAL OTHER OPERATING		1326-	2.1	12		1333-	2.2	2075	4	120		1287	3
TOTAL CONTROLLABLE EXPENSE		26669	41.8	18900	32.3	19667	31.7	212522	41.7	186426	37.4	174810	36.2
TOT FIXED & CNTRL EXP		34130	53.6	26348	45.1	27326	44.1	284293	55.8	256481	51.4	240695	49.8
TOTAL GROSS MARGIN FOR COMP		17758	27.9	25328	43.3	23351	37.7	170434	33.4	186109	37.3	188592	39.0
MISC INCOME & EXP.													
ALLOC. HOME OFFICE EXP													
ALLOC OF HO EXP	77010100	2690	4.2	2693	4.6	2310	3.7	27976	5.5	28004	5.6	24024	5.0
TOTAL ALLOC. HOME OFFICE EXP		2690	4.2	2693	4.6	2310	3.7	27976	5.5	28004	5.6	24024	5.0
TOTAL TOT MISC INCOME & EXP		2690	4.2	2693	4.6	2310	3.7	27976	5.5	28004	5.6	24024	5.0
PROV FED & ST TAX													
INTEREST EXPENSE								10				86	
INTEREST EXPENSE	81020100							10				86	
TOTAL INTEREST EXPENSE													
PROV FOR ST INCOME TAX												1249	3
PROV STATE INC TAX	82010100	69	1			1048	1.7	2222	4			1249	3
TOTAL PROV FOR ST INCOME TAX		69	1			1048	1.7	2222	4				
PROV FOR FED INCOME TX													
FED INCOME TAX	83010100	1733	2.7	2116	3.6	8566	13.8	16958	3.3	22000	4.4	20666	4.3

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 4C

PROFIT OR LOSS - STATEMENT PAGE NO. 10 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL		YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	
TOTAL PROV FOR FED INCOME TX		1733	2.7	2116	3.6	8566	13.8	16958	3.3	22000	4.4	20666	4.3
TOT PROV FED & ST TAX		1802	2.8	2116	3.6	9614	15.5	19190	3.8	22000	4.4	22001	4.5
TOTAL PROFIT OR LOSS -		13266	20.8	20519	35.1	11427	18.4	123268	24.2	136105	27.3	142567	29.5
*******LINEAGE*******													
TEN PIN LINEAGE													
TEN PIN AD LGE LINES.	90010100	32521	53.6	29300	55.0			274478	56.6	245900	53.5		
ADULT OPEN	90010200	12333	20.3	13500	25.3			125909	25.9	124100	27.0		
ADULT SPECIAL	90010201	535	9	300	6			1755	4	3120	7		
ADULT TOURNAMENT	90010202							478	1	600	1		
TEN PIN JR LGE LINES.	90010300	4439	7.3	2700	5.1			31745	6.5	18650	4.1		
JUNIOR OPEN	90010400	5334	8.8	5500	10.3			43032	8.9	49500	10.8		
JUNIOR SPECIAL	90010401	534	9	200	4			6211	1.3	3480	8		
JUNIOR TOURNAMENT	90010402	297	5	1500	2.8			992	2	14000	3.0		
SCHOOLS	90010403			300	6			2134	4	600	1		
TOTAL TEN PIN LINEAGE		55993	92.4	53300	100.0			486734	100.3	459950	100.0		
TOTAL PAID LINEAGE		55993	92.4	53300	100.0			486734	100.3	459950	100.0		
AVERAGE PRICE BOWL REV.		66		64				65		64			
AVERAGE PRICE GROSS REV.		1.14		1.10				1.05		1.08			
FREE LINEAGE TEN PIN								1645	3				
TEN PIN FREE EMPLOYEE	90110100	190	3					2934	6				
TEN PIN FREE PROM.	90110200	99	2					87					
TEN PIN FREE INSTR.	90110300							11294	2.3				
TEN PIN FREE WARM UP	90110400	1456	2.4					89					
TEN PIN FREE R M	90110500							191					
TEN PIN FREE WALK OUT	90110600	51	1					19316-	4.0				
TEN PIN FREE BREAKAGE	90110700	1225	2.0					3076-	6				
TOTAL TEN PIN FREE LINEAGE		3021	5.0										
TOTAL FREE LINEAGE		3021	5.0					3076-	6				

INTERSTATE LANES 1020
RAMSEY NJ
REGION = 1 DISTRICT = 25
TENPIN 40

PROFIT OR LOSS - STATEMENT PAGE NO. 11 DECEMBER 1972 PROGRAM LP080-02

ACCOUNT DESCRIPTION	ACCOUNT NO.	CURRENT MONTH ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL	YEAR TO DATE ACTIVITY CURRENT ACTUAL		CURRENT BUDGET		LAST YEAR ACTUAL
INVALID LINEAGE	99909990	1615	2.7				1615	3			
TOTAL		1615	2.7				1615	3			
TOTAL LINEAGE		60629	100.0	53300	100.0		485273	100.0	459950	100.0	
AVERAGE PRICE BOWL REV.		61		64			65		64		
AVERAGE PRICE GROSS REV.		1.05		1.10			1.05		1.08		

BRUNSWICK CORPORATION --

USED PINSETTER SALES --

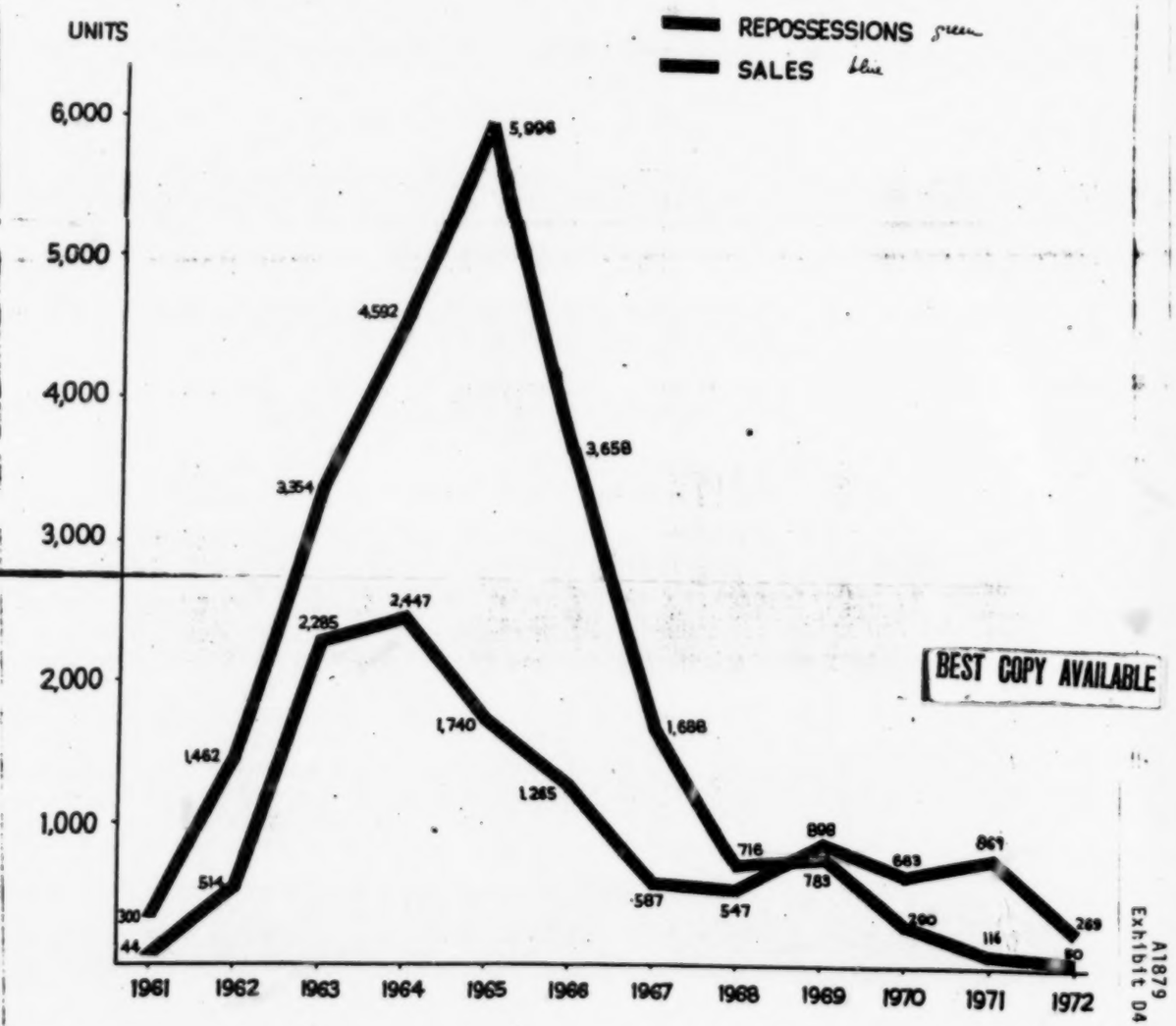
NUMBER OF UNITS BY YEAR

IN THE U.S.

Year	Sales
1961	44
1962	514
1963	2,285
1964	2,447
1965	1,740
1966	1,265
1967	587
1968	547
1969	898
1970	663
1971	869
1972	269

A1878
Exhibit D3

BRUNSWICK CORPORATION -- PINSETTERS REPOSSESSED AND USED PINSETTERS SOLD IN THE U.S. 1961 - 1972



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A1879
Exhibit D4

BRUNSWICK CORPORATION --

NET TRANSFERS* OF PINSETTERS TO BCO
FOR OPERATION, 1965-1972

IN THE U.S.

Year	Units
1965	3,639
1966	1,320
1967	50
1968	-4
1969	71
1970	140
1971	-64
1972	88

* Total transfers less deactivations, sales and leases, casualty losses, and other removals.

A1880
Exhibit D5

BRUNSWICK CORPORATION --

NUMBER OF BOWLING CENTERS BCO COMMENCED OPERATING AND NUMBER DISPOSED OF BY SALE, LEASE OR DEACTIVATION BY BCO, 1965-1972

IN THE UNITED STATES

	Commenced Operating	Disposed Of	Net Transfers	Operated Year-End
1965	124	0	124	124
1966	50	13	37	161
1967	15	14	1	162
1968	9	8	1	163
1969	10	8	2	165
1970	7	3*	4	169
1971	4	7	-3	166
1972	3	1	2	168
Total	222	54		

* 1 Destroyed by fire.

A1881
Exhibit D7

amend 4/11

BRUNSWICK CORPORATION --

BOWLING CENTER OPERATIONS (DOMESTIC) --
CONSOLIDATED STATEMENT OF CASH FLOW
FROM OPERATIONS, 1965-1972

12 Months Ended December 31	*
1965	($2,681,000)
1966	(177,000)
1967	543,000
1968	1,919,000
1969	2,927,000
1970	4,589,000
1971	6,942,000
1972	8,471,000

* Figures in ( ) are negative.

A1882
Exhibit D9

A1883
Exhibit D11

BRUNSWICK EXHIBIT 11

in evid

BRUNSWICK CORPORATION --
BOWLING CENTER OPERATIONS (DOMESTIC) --
NUMBER AND PERCENTAGE OF CENTERS
WITH POSITIVE OR NEGATIVE CASH
FLOWS FROM OPERATIONS
1965-1972

	1965		1966		1967		1968		1969		1970		1971		1972	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Positive Cash Flow	35	(28.2)	87	(54)	102	(63)	109	(66.8)	127	(76.9)	143	(84.6)	154	(93)	154	(91.7)
Negative Cash Flow	89	(71.8)	74	(46)	60	(37)	54	(33.2)	38	(23.1)	26	(15.4)	12	(7)	14	(8.3)
*Total	124	(100)	161	(100)	162	(100)	163	(100)	165	(100)	169	(100)	166	(100)	168	(100)

* Centers in operation at year end

A1884
Exhibit D13

in evid. 4/11

BRUNSWICK CORPORATION --
DOMESTIC BOWLING NOTES RECEIVABLES
AND 90-DAY DELINQUENCIES AT YEAR-END,
1964-1972

Amounts Delinquent
($000 Omitted)

	1964		1965		1966		1967		1968		1969		1970		1971		1972	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Total Balance Outstanding	$[illegible]	100.0	$310,716	100.0	$230,550	100.0	$174,750	100.0	$132,114	100.0	$100,997	100.0	$76,556	100.0	$60,803	100.0	$54,260	100.0
Balances Involved Over 90 Days Delinquent	114,232	26.6	74,[illegible]	24.0	34,[illegible]	14.9	23,583	13.5	15,788	11.9	7,344	7.3	5,003	6.5	4,110	6.8	2,786	5.1
	Accounts Delinquent																	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Total Accounts	7,359	100.0	5,778	100.0	4,587	100.0	3,699	100.0	2,933	100.0	2,260	100.0	1,919	100.0	1,580	100.0	1,258	100.0
Number of Accounts Over 90 Days Delinquent	1,221	16.5	824	14.3	438	9.5	350	9.5	220	7.5	101	4.5	90	4.7	60	3.8	36	2.9

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BRUNSWICK EXHIBIT 16A

BRUNSWICK CORPORATION

ESTIMATED ORIGINAL AVERAGE COST TO BRUNSWICK OF LANES AND PINSETTERS TRANSFERRED TO BCO CENTERS IN 1965 IN THE UNITED STATES

	Lane	Pinsetter	Total
Direct Costs:			
Manufacturing Costs	$ 1,630	$ 2,860	$ 4,490
Installation Costs	745	276	1,021
Total Direct Costs	$ 2,375	$ 3,136	$ 5,511

A1885
Exhibit D16A

in evid. 4/16/73

BRUNSWICK CORPORATION --

ALLOCATION TO BOWLING CENTER OPERATIONS (U.S.) OF A SHARE OF BRUNSWICK'S CASH NEEDS, 1965-1975, FOR PAYMENTS ON LOANS OBTAINED PRIOR TO 1965 RELATED TO DOMESTIC BOWLING EQUIPMENT RECEIVABLES

Balance Owed at December 31, 1964 on Loans Related to Domestic Bowling Receivables	$ 243,535,035
Domestic Bowling Equipment Receivables at December 31, 1964	$ 364,178,884
Ratio of Loans to Receivables	66.9%
Unpaid Principal Balances of Receivables on Equipment Taken Over for Operation in 1965 by BCO	$ 36,523,991
Portion of Loans Allocated to All Equipment (3,615 Lanes) Taken Over for Operation by BCO in 1965 (66.9% of $ 36,523,991)	$ 24,435,000

- principal only, see 15

Annual Payments, 1965-1970, and Cash Need, 1971-1975, Per Lane Based on 3,615 Lanes, and Payout of $24,435,000 Plus Interest

Year	Principal	Interest	Total
1965	$ 856	$ 390	$ 1,246
1966	1,435	323	1,758
1967	678	249	927
1968	1,168	184	1,352
1969	443	139	582
1970	443	114	557
1971	393	89	482
1972	459	62	521
1973	428	37	465
1974	388	14	402
1975	50	1	51
Total	$ 6,741	$ 1,602	$ 8,343

A1886
Exhibit D20

Brunswick

CORPORATION

ANNUAL REPORT

1965

A1887
Exhibit D30

BOARD OF DIRECTORS

L. A. APPLEY	*President, American Management Association, New York*
B. E. BENSINGER	*Chairman of the Board and Chief Executive Officer*
R. F. BENSINGER	*Retired Chairman of the Board*
A. R. CAHILL	*Vice President, Finance*
J. L. HANIGAN	*President*
W. M. HEYMANN	*Director, The First National Bank of Chicago*
S. P. JACOBSON	*Senior Vice President*
E. C. KIEKHAEFER	*Vice President*
S. E. MEYERS	*Retired Executive Vice President*
J. T. RETTALIATA	*President, Illinois Institute of Technology, Chicago*
J. G. SEVCIK	*President, Burton-Dixie Corporation, Chicago*
E. A. STEPHAN	*Partner, Mayer, Friedlich, Spiess, Tierney, Brown & Platt, Chicago, General Counsel*
R. E. STRAUS	*Chairman of the Board of Directors, American National Bank and Trust Company of Chicago*
L. H. SWANLUND	*Retired Vice President, Finance*
H. J. SZOLD	*Partner, Lehman Brothers, New York*

CORPORATE OFFICERS

B. E. BENSINGER	*Chairman of the Board and Chief Executive Officer*
J. L. HANIGAN	*President*
S. P. JACOBSON	*Senior Vice President*
A. R. CAHILL	*Vice President, Finance*
C. E. ERB	*Vice President*
E. C. KIEKHAEFER	*Vice President*
G. R. KOONS	*Vice President*
M. RUDO	*Vice President*
J. F. URBANEK	*Vice President*
J. N. WILLMAN	*Vice President*
A. W. McMAHON	*Treasurer*
J. F. MEYERHOFF	*Controller*
W. L. NIEMANN	*Secretary*
K. E. ABERNATHY	*Assistant Vice President*
R. G. BENSINGER	*Assistant Vice President*
J. W. McQUEEN	*Assistant Treasurer*
A. R. SIELAFF	*Assistant Treasurer*
W. B. BREMER	*Assistant Secretary*
F. J. KRAUS	*Assistant Secretary*
V. M. McALLISTER	*Assistant Secretary*
E. VANNEMAN, JR.	*Assistant Secretary*

A1888
Exhibit D30

DIVISIONS AND SUBSIDIARIES

RECREATION

BOWLING DIVISION—Chicago, Illinois
BOWLING CENTER OPERATIONS DIVISION—Chicago, Illinois
Operating 134 bowling centers in the United States and Canada
KIEKHAEFER CORPORATION—Fond du Lac, Wisconsin
INTERNATIONAL MERCURY OUTBOARDS LTD.—Fond du Lac, Wisconsin
KIEKHAEFER MERCURY of CANADA LIMITED—Toronto, Canada
KIEKHAEFER MERCURY of AUSTRALIA PTY. LIMITED—Sydney, Australia
MERCURY OUTBOARDS INTERNATIONAL PTY. LIMITED—Melbourne, Australia
MACGREGOR/BRUNSWICK DIVISION (formerly SPORTS DIVISION)—Evendale (Cincinnati), Ohio
BRUNSWICK-ROYAL, INC.—Ponce, Puerto Rico
OWENS YACHT DIVISION—Baltimore, Maryland
ZEBCO DIVISION—Tulsa, Oklahoma

HEALTH AND SCIENCE

HEALTH and SCIENCE DIVISION—St. Louis, Missouri
ALOE INTERNATIONAL, INC.—St. Louis, Missouri
BIOLOGICAL RESEARCH, INC.—St. Louis, Missouri
BRUNSWICK LABORATORIES, INC.—St. Louis, Missouri
ROEHR CHEMICALS, INC.—Long Island City, New York
ROEHR PRODUCTS COMPANY, INC.—DeLand, Florida
SHERIDAN CORPORATION—Argyle, New York
HEALTH and SCIENCE DIVISION of BRUNSWICK CORPORATION (U.K.) LIMITED (formerly Brunswick Health & Science Limited)—Worthing, Sussex, England

EDUCATION

SCHOOL EQUIPMENT DIVISION—Kalamazoo, Michigan

DEFENSE

DEFENSE PRODUCTS DIVISION—Muskegon, Michigan
INDUSTRIAL PRODUCTS DIVISION—Muskegon, Michigan

OTHER

A. M. T. REAL ESTATE CORPORATION—Chicago, Illinois
BRUNSWICK INTERNATIONAL FINANCE A. G.—Zurich, Switzerland
BRUNSWICK PROPERTIES, INC.—Chicago, Illinois
COMMUNITY RESOURCES DIVISION—Chicago, Illinois
NEW PRODUCTS DIVISION—Chicago, Illinois

INTERNATIONAL

BRUNSBOWL PTY. LIMITED—Sydney, N. S. W., Australia
BRUNSWICK A. G.—Zurich, Switzerland
BRUNSWICK BELGIUM, S. A.—Brussels, Belgium
"BRUNSWICK" BOWLING GmbH—Berlin, West Germany
BRUNSWICK of CANADA LIMITED—Cookaville, Ontario, Canada
BRUNSWICK CORPORATION (U.K.) LIMITED—London, England
BRUNSWICK DANSK-AMERIKANSK A/S—Copenhagen, Denmark
BRUNSWICK FAR EAST INCORPORATED—Tokyo, Japan
BRUNSWICK FRANCE (S.a.r.l.)—Paris, France
BRUNSWICK GmbH—Frankfurt/Main, West Germany
BRUNSWICK GESELLSCHAFT m.b.H.—Vienna, Austria
BRUNSWICK INTERNATIONAL, C. A.—Caracas, Venezuela
BRUNSWICK INTERNATIONAL GmbH—Duesseldorf, West Germany
BRUNSWICK of IRELAND LIMITED—Dublin, Ireland
BRUNSWICK ISRAEL LIMITED—Tel Aviv, Israel
BRUNSWICK ITALIANA S.p.A.—Roma, Italy
BRUNSWICK de MEXICO, S. A. de C. V.—Mexico, D.F., Mexico
BRUNSWICK NEDERLAND N.V.—Breda, The Netherlands
BRUNSWICK del PERU S.A.—Lima, Peru
BRUNSWICK'S SVENSKA A/B—Stockholm, Sweden
NIPPON BRUNSWICK K.K.—Tokyo, Japan
NORSK BRUNSWICK A/S—Oslo, Norway
OY BRUNSWICK FINLAND—Helsinki, Finland
TOWN & COUNTRY BOWLING CENTRES LIMITED—London, England

A1889
Exhibit D30

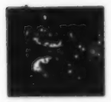
HIGHLIGHTS

	1965	1964
YEAR ENDED DECEMBER 31,		
Net sales and revenues	$314,876,000*	$302,217,000*
Net earnings (loss)	(76,932,000)	602,000
Additions to plant and equipment, including in 1965 the transfer of repossessed bowling equipment inventory to Brunswick-operated centers	31,517,000	11,873,000
Depreciation, amortization, etc.	14,758,000	10,324,000
PER SHARE OF COMMON STOCK		
Net earnings (loss)	$(4.21)	$ 0.03
Book value	7.18	11.42
AT DECEMBER 31,		
Working capital	$250,902,000	$399,968,000
Plant and equipment, net	76,158,000	62,820,000
Total assets	512,149,000	650,908,000
Notes payable—current	82,850,000	48,977,000
Long-term liabilities	203,087,000	266,839,000
Shareholders' equity	131,681,000	207,641,000
Number of shares outstanding	18,288,404	18,179,931
Number of shareholders	92,362	94,622
Number of employees	16,790	13,394

*Does not include repossessed bowling equipment sales of $15,693,000 in 1965 and $19,836,000 in 1964.

A1890
Exhibit D30

TO THE SHAREHOLDERS:



By far the most important event that occurred in 1965 was the decision to adjust inventory values and reserves for possible losses on receivables, as announced in a special letter to shareholders on December 14, 1965. This action resulted in a net loss for the year of $76,932,000 after related income tax credits.

The operating results before the very large year-end adjustments are not separately stated. However, operating results, excluding year-end adjustments, would have been almost the same as in 1964, or essentially a breakeven.

These adjustments were made almost entirely within the bowling segment of your Company's business. In the United States and Canada, the lack of any significant demand in the market for bowling capital goods, both new and used, became evident late in 1965 after the normal selling season. Also, import restrictions and tightening of credit, coupled with a decline of bowler interest in some areas, made it clear that the market abroad is not likely to expand as the domestic market did in the late Fifties and early Sixties.

Your management does not relish reporting a loss at any time, particularly one of this magnitude. It should be recognized, however, that the steps taken in view of the situation as it now exists, together with the continuing of vigorous collection efforts, will relieve future operations from burdens of the past.

As a consequence of the year-end adjustments, the Company filed a refund claim of $18,225,000 for Federal income taxes paid in prior years. When received, these funds will be applied to debt reduction.

Also, a new loan agreement was entered into with the banks and insurance companies which combined most of the domestic long-term debt under a single loan agreement amounting to $190,000,000 payable over the next ten years.

Looking to the future, three additional actions taken in 1965 should enhance the long-term prospects of the Company:

- The first was the establishment of a corporate Technical and New Business Division. This division consists of a research team; a Product Development and Engineering organization, which has already contributed some significant new products to the operating divisions; and a New Products group, which will develop marketing and manufacturing capabilities for new products. Currently, the New Products unit is deeply involved in the pilot production and marketing of Brunsmet, Brunswick's new metallic filament.
- The second significant development was the formation of the

A1891
Exhibit D30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS/December 31, 1965

NOTE 1—PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of the Company and all its domestic and foreign subsidiaries.

NOTE 2—LOSSES FROM BOWLING OPERATIONS: As a result of the decline in the world-wide market for bowling equipment during 1965, the Company and its subsidiaries made appropriate adjustments to recognize the reduced value of equipment repossessed in 1965 and to give effect to possible future repossessions of bowling equipment at reduced values. The Company and its subsidiaries also wrote down bowling equipment inventories at year-end and provided for estimated losses on the termination of certain bowling operations throughout the world. Substantially all of the net loss for 1965 resulted from these developments.

NOTE 3—INCOME TAXES: The Company and its subsidiaries have followed, for book purposes, the practice of recording income from sales financed by long-term installment notes receivable when customers take delivery of bowling lanes, automatic pinsetters and related products. This practice, which is known as the "accrual basis," is the income-reporting method followed by most companies. For income tax purposes, the Company and its subsidiaries follow the "installment basis" of reporting income from such sales.

Income taxes applicable to installment sales have been provided on the basis of book income at the tax rate in effect in the year of sale. These taxes are payable over the terms of installment notes receivable as payments are received from customers. Accordingly, deferred income taxes of $28,330,000 at December 31, 1965 (after reflecting the income tax effect of the substantial bowling losses charged against 1965 operations) will not be payable until future years. The loss in 1965 also resulted in carry-back refund claims of $18,225,000 for Federal income taxes paid in prior years.

Because of reductions in the United States Federal income tax rates, the provision (credits) for income taxes includes credits of $2,300,000 in 1965, and $1,100,000 in 1964, for the difference between income taxes at the current rate and the amount of deferred income taxes previously provided at higher rates.

NOTE 4—INSTALLMENT NOTES: Installment notes receivable are stated at principal balances after deducting unearned interest of $61,559,000 in 1965, and $80,273,000 in 1964; such interest will not be realized to the extent that the installment notes are not collected.

NOTE 5—REPOSSESSED BOWLING EQUIPMENT: Net sales in the accompanying consolidated statements of earnings do not include repossessed bowling equipment sales of $15,693,000 in 1965, and $19,636,000 in 1964. When equipment is repossessed, the difference between the unpaid principal balance of the related installment note receivable and the inventory carrying value is deducted from the reserve for possible losses on receivables. When the equipment is subsequently resold, the excess of the sales price over the inventory value is added to the reserve for possible losses on receivables.

While the quantities of repossessed bowling equipment included in finished goods inventories were greater at December 31, 1965, such equipment was carried at $3,527,000 compared with $17,685,000 at December 31, 1964, based on estimated realizable values, after reflecting the 1965 adjustments (see Note 2).

NOTE 6—RESERVES FOR POSSIBLE LOSSES ON RECEIVABLES: During 1965, the provision for possible losses on receivables totaled $111,362,000 and repossessions and other charges against the reserves, less recoveries, were $71,265,000.

NOTE 7—NOTES PAYABLE—BANK, INSURANCE COMPANIES, ETC. (CANADIAN SUBSIDIARY)—SECURED: In March, 1966, a Canadian subsidiary entered into an amended loan agreement to reduce its bank and insurance company notes payable from $18,850,000 to $11,000,000 by applying a related collateral cash deposit. Under the amended agreement the notes payable are secured by a pledge of all Canadian installment notes receivable (with principal balances of $32,338,000 at December 31, 1965), and the collections thereon, after certain expenses as defined, are restricted to the payment of interest and principal on the notes payable. The amended agreement provides for minimum principal payments of $2,000,000 annually through 1969 and $1,000,000 thereafter through 1972. The notes payable have been guaranteed by the parent company.

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As a consequence of the adjustments made by the Company and its subsidiaries in 1965 (see Note 2), it became necessary to renegotiate certain of the terms and conditions of the loan agreements covering the Company's long-term indebtedness to banks and insurance companies. As a result of these negotiations, a new loan agreement was entered into in March, 1966, which, by its terms, superseded all prior agreements with the banks and insurance companies and combined the $90,000,000 balance of bank loans with $100,000,000 of insurance company loans into one loan agreement. This agreement provides for 5¾% promissory notes with principal payments ranging from $24,000,000 to $14,000,000 per year through 1975. Principal amounts of $20,000,000 are payable on December 15, 1966; in addition, the refund of Federal income taxes ($18,225,000—see Note 3) when received will be payable on the notes.

Other unsecured notes payable of $1,905,000 are outstanding. Interest rates on these notes range from 4% to 6½% with final maturities in 1981.

NOTE 9—LONG-TERM NOTES PAYABLE—SECURED: Certain plant and equipment additions have been financed by mortgage notes on the property acquired, and certain installment notes receivable and property of foreign subsidiaries have been financed by secured notes. Interest rates on these notes range from 4½% to 8½% (the latter rate being applicable to certain foreign notes), and annual principal payments through 1988 range from $137,000 to $1,770,000.

NOTE 10—DEBENTURES: The Company has outstanding $25,623,000 of 4½% convertible subordinated debentures, with annual sinking fund requirements of $1,500,000 beginning in 1971. A subsidiary has issued $5,000,000 of 5¾% collateral trust debentures, with annual sinking fund requirements of $500,000 beginning in 1969; substantially all the assets of this subsidiary have been pledged to secure these debentures.

NOTE 11—DIVIDEND AND OTHER RESTRICTIONS: The March, 1966, loan agreement with banks and insurance companies and agreements relating to the C.I.T. Corporation notes payable and the convertible subordinated debentures contain dividend, working capital, foreign in-

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vestment, net worth and various other restrictions. Cash dividends may be paid only to the extent of 25% of consolidated net income of the Company and its domestic subsidiaries, as defined, in any fiscal year, and only if various ratio, working capital and debt reduction tests have been met. As of December 31, 1965, no consolidated earnings retained in the business were available for payment of cash dividends or for acquisitions of capital stock.

NOTE 12—DEFERRED COMPENSATION: Under various employee bonus plans, additional compensation of officers and employees earned in 1962 and prior years is payable in future years in aggregate annual amounts ranging from $224,000 to $59,000. No bonus was earned under these plans in 1965.

NOTE 13—COMMON STOCK: In 1965, options for 106,000 shares were granted, under a stock option plan, at not less than the highest market price on the dates of grant, and options for 65,719 shares were canceled or expired. Options for 4,000 shares were exercised during the year. At December 31, 1965, 432,072 shares of common stock were reserved for issuance to officers and key employees under options outstanding at prices ranging from $3.30 to $57.75 per share, of which options for 227,209 shares were exercisable. All options expire within ten years or less from date of grant. The Company's stock option plans have now expired and no further options may be granted thereunder.

Under the employees' stock purchase plan (which excludes key management employees), 124,157 shares of common stock are reserved for issuance to eligible employees. In 1965, the Company granted rights and employees purchased 88,171 shares at 85% of market at dates of grant.

The Company issued 16,302 additional shares of common stock in 1965 in connection with the acquisitions of Biological Research, Inc. in 1961 and Ortho Chemical Corporation in 1962. The acquisition agreement for Ortho Chemical Corporation provides that additional shares of common stock may be issued in the years 1966-1968, depending on operating results of the successor company.

At December 31, 1965, 502,427 shares of common stock were reserved for the conversion of convertible subordinated debentures at $50.66 per share.

NOTE 14—LEGAL MATTERS: A number of lawsuits and claims are pending against the Company and its subsidiaries. Based upon the opinions of counsel as to the ultimate disposition of these matters, management believes that the liability, if any, will not be material.

The Federal Trade Commission has requested certain information concerning the Company's operation of repossessed bowling establishments throughout the country. In the opinion of counsel, these operations are lawful and not in contravention of any Federal law or regulation.

NOTE 15—LONG-TERM LEASES: As of December 31, 1965, the Company and its subsidiaries had entered into various lease agreements with terms of more than three years, which expire on various dates to 1987. Aggregate rentals are approximately $3,400,000 annually. These leases are for space in general offices, branches, factories, warehouses, service centers and certain Brunswick-operated bowling centers.

NOTE 16—UNFUNDED PAST-SERVICE COSTS: The Company and its subsidiaries maintain pension and retirement plans, which provide for retirement benefits based on service, for substantially all salaried and hourly employees. The Company is providing for the current and past-service costs of these plans based upon actuarial determinations. The unfunded past-service costs under these plans were approximately $11,000,000 at December 31, 1965.

ACCOUNTANTS' OPINION

TO THE SHAREHOLDERS AND DIRECTORS OF
BRUNSWICK CORPORATION:

We have examined the consolidated balance sheet of BRUNSWICK CORPORATION (a Delaware corporation) AND SUBSIDIARIES as of December 31, 1965, and the related consolidated statements of earnings, capital surplus and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We had made a similar examination for the preceding year.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, capital surplus and earnings retained in the business present fairly the financial position of Brunswick Corporation and Subsidiaries as of December 31, 1965, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co.

Chicago, Illinois, March 23, 1966.

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CREDIT AND COLLECTION

were rescheduled to reflect a $6,000,000 reduction of debt, which amount was paid in March, 1966.

The new domestic loan agreement contains covenants that are more restrictive than those in the former agreements. For this reason, and because it is desirable for the Company to reduce debt as rapidly as possible, it is not likely that any dividends will be paid for some time.

In spite of the severity of the loss resulting from the year-end adjustments, the action taken should produce certain benefits for the Company. For example, a Federal income tax carryback refund claim of $18,225,000 arising from the 1965 loss will improve the Company's financial position through cash recovery and earlier reduction of debt. Furthermore, additional net tax credits of $33,425,000 will have the effect of reducing future tax payments which the Company otherwise would have been required to make. However, these latter credits will have no effect on the income statements of the Company in the future because they have been reflected in the 1965 financial statements as a reduction in deferred income taxes payable.

The write-down of bowling equipment inventories and the increase in reserves should not be interpreted as any lessening of interest in the bowling industry. To the contrary, diligent efforts will continue to be made to sell new and used equipment on a sound financial basis for operation in promising locations and to promote the sport of bowling.

Installment notes receivable principal balances were $319,050,000 at December 31, 1965, down $121,634,000 from $440,684,000 at December 31, 1964. Accounts receivable were $60,532,000 at December 31, 1965, compared with $56,745,000 at the prior year-end, an increase of $3,787,000.

Brunswick enjoys a substantial cash flow from collections on bowling installment notes receivable. In 1965, these collections more than covered the following uses and totaled $87,119,000

Payments on debt in 1965—		
C.I.T. borrowings	$20,935,000	
Bank borrowings	10,000,000	
Mortgages and other	5,169,000	
Total payments on borrowings	$36,104,000	
Interest paid on borrowings	18,520,000	
Total		54,624,000
Collections available for other purposes		$32,495,000

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The remaining $32,495,000, when combined with funds generated from other sources, was sufficient to finance the Company's additions to fixed assets; to pay state, local and Federal income taxes of $8,753,000 (principally by subsidiary companies); to meet general operating needs; and also to produce a net increase of $9,879,000 in cash and marketable securities at the end of 1965, compared with December 31, 1964. In March, 1966, Brunswick of Canada Ltd., paid $6,000,000 of its long-term loans, leaving a balance of $11,000,000, and at the same time, retired its outstanding bank loans of $1,850,000.

In many instances, Brunswick was able to assist customers in the orderly retirement of their debts from revenues generated by their bowling centers. However, not all customer problems could be resolved on a financially prudent basis. Therefore, despite the Company's earnest efforts to reach mutually satisfactory arrangements, repossessions and inventories of used equipment increased.

PLANT AND EQUIPMENT

Additions to plant, equipment and leasehold improvements totaled $31,517,000 in 1965, an increase of $19,644,000 over the $11,873,000 expended during 1964. Most of this increase resulted from the transfers of repossessed bowling equipment from installment notes receivable and inventories to Brunswick-operated centers. These transfers did not require any outlay of cash. Depreciation, amortization, etc., amounted to $14,758,000 in 1965.

SHAREHOLDERS' EQUITY

Shareholders' equity was $131,581,000 at the end of 1965 compared with $207,641,000 at December 31, 1964. The decrease resulted from the very large charges against 1965 earnings. The book value of the common stock at December 31, 1965, was $7.19 per share on 18,288,404 shares outstanding, compared with $11.42 per share on 18,179,931 shares outstanding at the end of 1964.

MANAGEMENT CHANGES

Mr. S. P. Jacobson, corporate Senior Vice President, has assumed responsibility for the Technical and New Business Division. He was previously in charge of the Bowling and International Divisions of the Company.

Mr. J. F. Urbanek, corporate Vice President, was named President of the Bowling Division, which now includes the former International Division.

Mr. J. F. Meyerhoff was elected corporate Controller, replacing Mr. Urbanek in this position.

Mr. J. W. Kelly was appointed President, MacGregor/Brunswick Division.

Mr. R. G. Bensinger was appointed President of the new Community Resources Division and Assistant Vice President of the Company.

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BRUNSWICK CORPORATION AND SUBSIDIARIES

COMPARATIVE FINANCIAL DATA FOR TEN YEARS *(in thousands of dollars)*

	1965
SALES AND EARNINGS YEAR ENDED DECEMBER 31—(A)	
Net sales and revenues	$314,878
Net earnings (loss)	(78,932)
BALANCE SHEET HIGHLIGHTS AT DECEMBER 31—(A)	
Cash and marketable securities	$ 40,171
Notes and accounts receivable, net	280,740
Inventories	79,247
Plant and equipment, net	78,158
Total assets	512,149
Notes payable and long-term liabilities	285,937
OTHER DATA (A)	
Additions to plant and equipment	$31,517(B)
Depreciation, amortization, etc.	14,758
Earnings (loss) per share of common stock (C)	(4.21)
Dividends per share of common stock (C)	—
Book value per share of common stock (C)	7.19

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1964	1963	1962	1961	1960	1959	1958	1957	1956
$302,217	$315,653	$359,343	$426,865	$404,343	$349,208	$280,644	$198,090	$129,564
602	(10,109)	24,307	44,982	38,243	31,075	18,063	9,646	7,716
$ 30,292	$ 38,454	$ 36,976	$ 21,178	$ 25,465	$ 12,624	$ 9,703	$ 4,913	$ 4,384
448,684	497,992	564,267	543,749	414,617	283,419	179,844	93,598	21,749
97,420	84,851	89,130	76,647	79,808	58,750	43,776	31,079	30,230
62,820	62,017	59,058	43,534	34,861	29,536	19,332	13,588	11,554
650,908	697,514	759,899	692,962	561,107	389,880	256,523	147,708	73,620
315,816	349,455	358,924	299,148	259,264	163,666	111,289	61,836	8,750
$11,873	$15,634	$23,840	$16,870	$13,399	$14,853	$10,387	$4,435	$3,056
10,324	9,877	7,585	6,570	5,360	3,802	3,379	2,671	1,897
0.03	(0.56)	1.36	2.56	2.20	1.83	1.19	0.79	0.68
—	0.30	0.60	0.45	0.32	0.22	0.13	0.07(D)	0.06(D)
11.42	11.41	12.25	11.39	9.04	6.64	4.95	4.17	3.58

(A) Data for companies acquired on a pooling-of-interests basis have been included for all periods where significant. Data for all other acquired companies have been included only from the respective dates of acquisition.

(B) In 1965, the additions to plant and equipment include the transfer of repossessed bowling equipment inventory to Brunswick-operated centers.

(C) Based on the number of shares outstanding at each year-end, after reflecting stock dividends, stock splits and the issuance of shares of common stock in connection with mergers on a pooling-of-interests basis.

(D) Plus 5% stock dividend.

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BRUNSWICK CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS / *as of December 31, 1965 and 1964*

ASSETS	1965	1964
CURRENT ASSETS:		
Cash (including $8,073,000 collateral deposit in 1965 applied against current notes payable in March, 1966)	$ 35,389,000	$ 22,740,000
Marketable securities, at cost which approximates market ($4,671,000 in 1965 pledged for collateral trust debentures)	4,802,000	7,552,000
Federal income tax refund claims (Notes 3 and 8)	18,225,000	—
Notes and accounts receivable—		
Installment notes, at principal balances including $227,928,000 in 1965 and $315,188,000 in 1964 due after one year (principal balances of $100,204,000 in 1965 and $153,740,000 in 1964, plus unearned interest thereon, assigned to C.I.T. Corporation and others) (Notes 4 and 7)	319,060,000	440,684,000
Accounts	80,532,000	56,745,000
Less—Reserves for possible losses on receivables (Note 6)	(88,842,000)	(48,745,000)
Inventories, at lower of cost or market—		
Finished goods (Note 5)	45,084,000	62,364,000
Work in process	22,929,000	22,780,000
Raw materials and supplies	11,254,000	12,276,000
Total current assets	$428,383,000	$576,396,000
PREPAID EXPENSES AND OTHER ASSETS	7,808,000	11,892,000
PLANT AND EQUIPMENT, at cost (Note 9):		
Land	3,679,000	3,654,000
Buildings, machinery and equipment	127,580,000	103,872,000
Less—Reserves for depreciation, amortization, etc.	(58,111,000)	(44,708,000)
	$512,148,000	$650,908,000

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LIABILITIES	1965	1964
CURRENT LIABILITIES:		
Notes payable—		
Banks and other—principally secured	$ 1,171,000	$ 1,965,000
Bank, insurance companies, etc. (Canadian subsidiary)—secured (Note 7)	18,850,000	1,850,000
C.I.T. Corporation—secured	22,600,000	43,535,000
Current maturities of long-term notes	40,229,000	1,627,000
Accounts payable	25,462,000	25,286,000
Accrued expenses	22,899,000	16,568,000
Income taxes (Note 3)—		
Current	17,940,000	18,597,000
Deferred	28,330,000	67,000,000
Total current liabilities	$177,481,000	$176,428,000
LONG-TERM LIABILITIES:		
Notes payable—		
Unsecured (Note 8)	$153,680,000	$204,471,000
Secured (Note 9)	17,976,000	30,371,000
4½% convertible subordinated debentures, due 1981 (Note 10)	25,623,000	25,623,000
5¾% collateral trust debentures, due 1978 (Note 10)	5,000,000	5,000,000
Deferred compensation (Note 12)	808,000	1,374,000
	$203,087,000	$266,839,000
CAPITAL STOCK AND SURPLUS:		
Common stock, without nominal or par value; authorized 25,000,000 shares; issued and outstanding, 1965—18,288,404 shares; 1964—18,179,931 shares (Note 13)	$ 13,716,000	$ 13,635,000
Capital surplus	50,032,000	49,241,000
Earnings retained in the business (Note 11)	67,833,000	144,765,000
	$131,581,000	$207,641,000
	$512,148,000	$650,908,000

The accompanying notes on pages 14 and 15 are an integral part of these balance sheets.

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BRUNSWICK CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS / *for the years ended December 31, 1965 and 1964*

	1965	1964
INCOME:		
Net sales and revenues	$314,876,000*	$302,217,000*
Interest income	20,197,000	22,951,000
Total income	$335,073,000	$325,168,000
COSTS AND EXPENSES:		
Cost of sales and services	$234,801,000	$218,786,000
Selling and administrative expenses	75,567,000	71,738,000
Interest expense	18,520,000	21,717,000
Provision for estimated losses on receivables	111,362,000	9,253,000
Write-down of bowling inventories	8,965,000	—
Estimated losses on termination of foreign bowling operations	12,333,000	—
Other expenses, net	2,307,000	2,582,000
Provision (credits) for Federal, state and foreign income taxes (Note 3)	($1,880,000)	490,000
Total costs and expenses (including depreciation, amortization, etc., of $14,758,000 in 1965 and $10,324,000 in 1964)	$412,005,000	$324,566,000
NET EARNINGS (LOSS) for the year (Note 2)	$(76,932,000)	$ 602,000

*Does not include repossessed bowling equipment sales of $15,893,000 in 1965 and $19,636,000 in 1964 (Note 2).

The accompanying notes on pages 14 and 15 are an integral part of these statements.

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CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

for the year ended December 31, 1965

BALANCE AT DECEMBER 31, 1964	$49,241,000
EXCESS OF QUOTED VALUE OR SELLING PRICE OVER RECORDED VALUE OF:	
Common stock issued for companies acquired in prior years (16,302 shares) (Note 13)	167,000
Common stock sold under stock option (4,000 shares) and employees' stock purchase (88,171 shares) plans (Note 13)	624,000
BALANCE AT DECEMBER 31, 1965	$50,032,000

CONSOLIDATED STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

for the year ended December 31, 1965

BALANCE AT DECEMBER 31, 1964	$144,765,000
NET (LOSS) FOR THE YEAR (Note 2)	(76,932,000)
BALANCE AT DECEMBER 31, 1965 (Note 11)	$ 67,833,000

The accompanying notes on pages 14 and 15 are an integral part of these statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS/*December 31, 1965*

NOTE 1—PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of the Company and all its domestic and foreign subsidiaries.

NOTE 2—LOSSES FROM BOWLING OPERATIONS: As a result of the decline in the world-wide market for bowling equipment during 1965, the Company and its subsidiaries made appropriate adjustments to recognize the reduced value of equipment repossessed in 1965 and to give effect to possible future repossessions of bowling equipment at reduced values. The Company and its subsidiaries also wrote down bowling equipment inventories at year-end and provided for estimated losses on the termination of certain bowling operations throughout the world. Substantially all of the net loss for 1965 resulted from these developments.

NOTE 3—INCOME TAXES: The Company and its subsidiaries have followed, for book purposes, the practice of recording income from sales financed by long-term installment notes receivable when customers take delivery of bowling lanes, automatic pinsetters and related products. This practice, which is known as the "accrual basis," is the income-reporting method followed by most companies. For income tax purposes, the Company and its subsidiaries follow the "installment basis" of reporting income from such sales.

Income taxes applicable to installment sales have been provided on the basis of book income at the tax rate in effect in the year of sale. These taxes are payable over the terms of installment notes receivable as payments are received from customers. Accordingly, deferred income taxes of $28,330,000 at December 31, 1965 (after reflecting the income tax effect of the substantial bowling losses charged against 1965 operations) will not be payable until future years. The loss in 1965 also resulted in carryback refund claims of $18,225,000 for Federal income taxes paid in prior years.

Because of reductions in the United States Federal income tax rates, the provision (credits) for income taxes includes credits of $2,300,000 in 1965, and $1,100,000 in 1964, for the difference between income taxes at the current rate and the amount of deferred income taxes previously provided at higher rates.

NOTE 4—INSTALLMENT NOTES: Installment notes receivable are stated at principal balances after deducting unearned interest of $81,559,000 in 1965, and $80,273,000 in 1964; such interest will not be realized to the extent that the installment notes are not collected.

NOTE 5—REPOSSESSED BOWLING EQUIPMENT: Net sales in the accompanying consolidated statements of earnings do not include repossessed bowling equipment sales of $15,693,000 in 1965, and $19,636,000 in 1964. When equipment is repossessed, the difference between the unpaid principal balance of the related installment note receivable and the inventory carrying value is deducted from the reserve for possible losses on receivables. When the equipment is subsequently resold, the excess of the sales price over the inventory value is added to the reserve for possible losses on receivables.

While the quantities of repossessed bowling equipment included in finished goods inventories were greater at December 31, 1965, such equipment was carried at $3,527,000 compared with $17,685,000 at December 31, 1964, based on estimated realizable values, after reflecting the 1965 adjustments (see Note 2).

NOTE 6—RESERVES FOR POSSIBLE LOSSES ON RECEIVABLES: During 1965, the provision for possible losses on receivables totaled $111,362,000 and repossessions and other charges against the reserves, less recoveries, were $71,265,000.

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NOTE 8—LONG-TERM NOTES PAYABLE—UNSECURED: In December, 1965, the Company repaid $10,000,000 of $100,000,000 borrowed from a group of banks under a revolving credit agreement.

As a consequence of the adjustments made by the Company and its subsidiaries in 1965 (see Note 2), it became necessary to renegotiate certain of the terms and conditions of the loan agreements covering the Company's long-term indebtedness to banks and insurance companies. As a result of these negotiations, a new loan agreement was entered into in March, 1966, which, by its terms, superseded all prior agreements with the banks and insurance companies and combined the $90,000,000 balance of bank loans with $100,000,000 of insurance company loans into one loan agreement. This agreement provides for 5¾% promissory notes with principal payments ranging from $24,000,000 to $14,000,000 per year through 1975. Principal amounts of $20,000,000 are payable on December 15, 1966; in addition, the refund of Federal income taxes ($18,225,000—see Note 3) when received will be payable on the notes.

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Exhibit D30

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NOTE 14—LEGAL MATTERS: A number of lawsuits and claims are pending against the Company and its subsidiaries. Based upon the opinions of counsel as to the ultimate disposition of these matters, management believes that the liability, if any, will not be material.

The Federal Trade Commission has requested certain information concerning the Company's operation of repossessed bowling establishments throughout the country. In the opinion of counsel, these operations are lawful and not in contravention of any Federal law or regulation.

NOTE 15—LONG-TERM LEASES: As of December 31, 1965, the Company and its subsidiaries had entered into various lease agreements with terms of more than three years, which expire on various dates to 1987. Aggregate rentals are approximately $3,400,000 annually. These leases are for space in general offices, branches, factories, warehouses, service centers and certain Brunswick-operated bowling centers.

NOTE 16—UNFUNDED PAST-SERVICE COSTS: The Company and its subsidiaries maintain pension and retirement plans, which provide for retirement benefits based on service, for substantially all salaried and hourly employees. The Company is providing for the current and past-service costs of these plans based upon actuarial determinations. The unfunded past-service costs under these plans were approximately $11,000,000 at December 31, 1965.

ACCOUNTANTS' OPINION

TO THE SHAREHOLDERS AND DIRECTORS OF
BRUNSWICK CORPORATION:

We have examined the consolidated balance sheet of BRUNSWICK CORPORATION (a Delaware corporation) AND SUBSIDIARIES as of December 31, 1965, and the related consolidated statements of earnings, capital surplus and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We had made a similar examination for the preceding year.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, capital surplus and earnings retained in the business present fairly the financial position of Brunswick Corporation and Subsidiaries as of December 31, 1965, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co.

Chicago, Illinois, March 23, 1966.

A1903
Exhibit D30

The 3.9-horsepower Merc-39, light in weight and easy to operate, is the ideal motor for the youngster in developing his basic outboard boating skills.

The luxurious and spacious interior of an Owens Yacht provides all the conveniences of a home afloat.

The 42′ Aruba tri-cabin motor yacht enjoyed an excellent sales year for the Owens Yacht Division.

Facilities were expanded in Covington, Georgia, to provide additional capacity for production of golf balls; and an expansion project is in progress at Torrington, Connecticut, which will double the production capacity for golf club shafts.

These measures are expected to improve the performance of the division in 1966.

OWENS YACHT

The Owens Yacht Division continued to increase its total sales volume and share of market despite stiffening competition throughout the inboard pleasure cruiser field.

The most noticeable gain for Owens was its penetration of the 30- to 42-foot boat market. Aiming much of its promotion and sales efforts toward buyers of these larger units, Owens experienced an appreciable sales gain in these longer hull lengths. The 42-foot Aruba has received outstanding acceptance as the new queen of the Owens fleet.

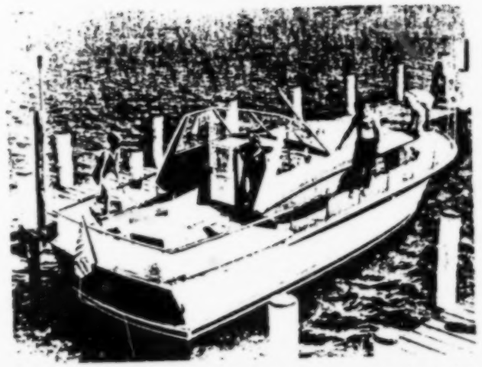
The research and development team at Owens is engaged in developing new products to meet increasing competition for the recreation dollar. Special attention is being given to consumer demand for easy-maintenance, new and better construction materials and modern functional designs.

Fully aware of the many trends in their industry, Owens' engineering, marketing and management personnel are taking steps to insure that the division will continue as a major inboard cruiser builder and to increase its share of the pleasure boat market.

BOWLING

The year 1965 appears to have been one of bottoming-out for the bowling industry with the number of commercial centers and bowling participants

A1904
Exhibit D30



Owens' Jamaican 35' Yacht Express offers the discriminating yachtsman a beautiful pleasure craft which comfortably accommodates six people.

Brunswick has pioneered new styling trends in commercial billiard equipment, to create an aura of home in the local billiard establishment.

remaining virtually unchanged since 1964. While the general health of the industry at the operating level improved, bowling equipment sales again declined as fewer new bowling centers were constructed. The firm price and credit policies announced for capital equipment in 1964 continued to strengthen Brunswick's collection efforts.

The division maintained its share of the bowling supply and resale products market in 1965 and increased its share of the home billiard table market.

New products successfully introduced included the Edgebrook billiard table, which completed a line of home tables ranging in price from $275 to $1,095; the Trac-Master and Marion Ladewig bowling balls; and the Lustre-King bowling ball polisher.

Successfully test-marketed in 1964, the Trac-Master gave Brunswick dealers a distinct advantage over competition, and the product established itself as the number two seller in the Brunswick line, topped only by the standard medium-priced Black Beauty. Brunswick's new Lustre-King polisher, a coin-operated bowling ball cleaning and polishing unit, is the first device made available to proprietors for their customers to clean all bowling balls, regardless of material, at the same time offering a choice of cleaning cycles.

With the worldwide decline in the market for bowling capital equipment, the International Division was consolidated into the Bowling Division in 1965.

The year was one of reorganization and consolidation in the overseas markets. The growth in bowling which had been expected did not materialize. While the sale of bowling equipment in Germany and the Far East continued at satisfactory levels in 1965, the market in the United Kingdom was adversely affected by that country's balance-of-payments problems and internal credit restraints. Sales of equipment in France, Italy and other European countries continued, for various reasons, to be disappointing. Therefore, the organization has been curtailed to reduce expenses. It has been decided that for some areas it would be more profitable to market products through commission agents and distributors rather than through the Company sales organization.

On the brighter side, however, the Brunswick-operated bowling centers abroad continue in the aggregate to be profitable, and gains were registered in the overseas sales of sporting goods, marine products and school furniture.

BOWLING CENTER OPERATIONS

This division, established at the beginning of 1965, was operating 134 establishments in the United States and Canada at year-end. These centers were taken over in connection with equipment repossessions largely because of undercapitalization or poor management. The rapid expansion of these activities required a concentrated program of training managers —involving new systems of operating control, not only for bowling but also for snack bars, restaurants and cocktail lounges. Appreciable cash is now being received where little or none was previously being collected.

It is the Company's intention to develop statistical information from these operations and to make the data available to the industry.

Bowling centers operated by this division are available for sale as going businesses on sound financial terms to interested investors.

Willie Mosconi demonstrates his pocket billiard prowess on the Brunswick Monarch home table.

New design concepts in bowling and billiards are frequently tested in miniature before full-size models are constructed.

HEALTH & SCIENCE

The Health and Science Division's growth in 1965 over the previous year was attributable to the increased size of the markets it serves, coupled with the benefits being derived from the reorganization reported to you last year. The division's Monoject line of disposable hypodermic needles and syringes now ranks number one nationally in its market.

Substantial sales gains have been made in the division's line of medical and surgical tubing as well as in scientific products such as disposable laboratory ware, capillary tubing and related items. The division's products have also been introduced into the field of veterinary medicine. Initial results are most encouraging.

One of the first significant results of the combined efforts of the new research and development and marketing organizations has been the creation and introduction of the systems concept in medication and syringe dispensing. Featuring the unique Monotray, this system permits more uniform control of the distribution of both oral and injectable medication with greater safety for the patient while enabling more efficient handling by the nurse.

A major advance in cardiac surgery was announced early in 1966, as Brunsmet metallic filaments were applied as electrodes in the implantable cardiac pacemaker. Constant tension and flex on the wires exerted by continuous body motions caused electrical failure due to breakage of materials previously used. The combination of limpness, flexibility and strength made possible by 300 twisted strands of minutely-fine Brunsmet stainless steel filaments in each of two electrodes will relieve the anxieties of patients with complete heart block and Stokes-Adams disease who are depending